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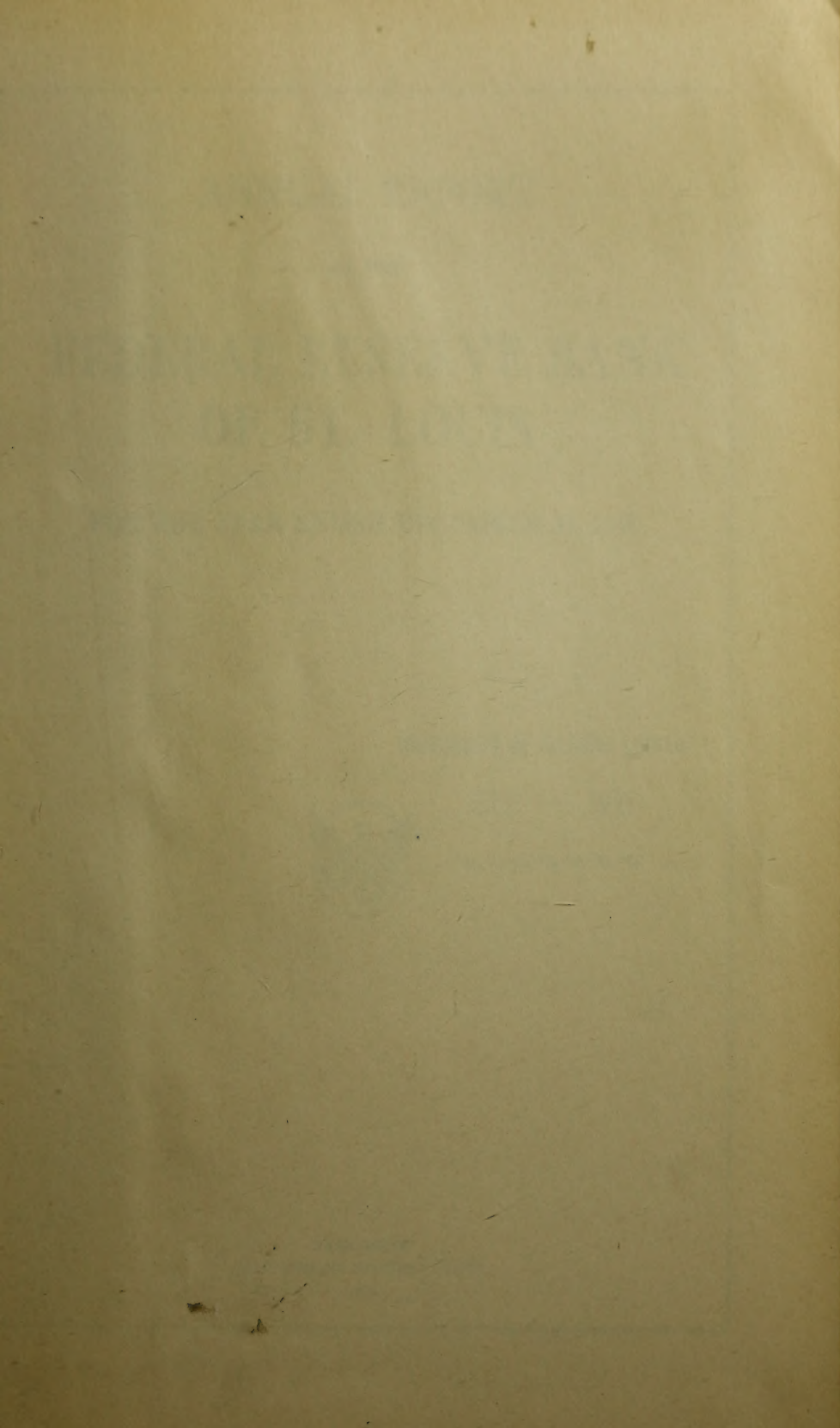
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ANNUAL REPORT  
OF THE  
FEDERAL RESERVE BANK  
OF ST. LOUIS

FOR THE YEAR ENDED DECEMBER 31, 1915

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## ANNUAL REPORT OF FEDERAL RESERVE BANK OF ST. LOUIS.

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WILLIAM McC. MARTIN, Chairman and Federal Reserve Agent.

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On May 2, 1914, the reserve bank organization committee announced the boundaries of Federal reserve district No. 8.

On May 11, 1914, this committee designated five banks to execute the organization certificate, and on May 18 representatives of the banks met in the rooms of the St. Louis Clearing House Association in the city of St. Louis and signed the organization certificate of the Federal Reserve Bank of St. Louis. Arkansas was represented by the German National Bank, of Little Rock, Mr. J. D. Goldman, president, and Mr. W. A. Hicks, cashier, signing the certificate for that bank. Illinois was represented by the Ayers National Bank, of Jacksonville, Mr. M. F. Dunlap, president, and Mr. O. F. Buffe, cashier, signing the certificate. Indiana was represented by the Second National Bank, of New Albany, Mr. Earl S. Gwin, president, and Mr. Geo. A. Newhouse, jr., cashier, signing for that bank. Kentucky was represented by the National Bank of Kentucky, Louisville, Mr. Oscar Fenley, president, and Mr. H. D. Ormsby, cashier, signing the certificate. Tennessee was represented by the First National Bank, of Memphis, Mr. J. A. Omberg, president, and Mr. C. Q. Harris, cashier, signing for it.

The reserve bank organization committee had sent out preferential ballots in accordance with the Federal Reserve Act to all member banks, and on August 10, 1914, it announced that group No. 1 had elected Mr. Walker Hill, of St. Louis, as class A director, and Mr. Murray Carleton, of St. Louis, as class B director; that group No. 2 had elected Mr. Frank O. Watts, of St. Louis, as class A director, and Mr. W. B. Plunkett, of Little Rock, Ark., as class B director; that group No. 3 had elected Mr. Oscar Fenley, of Louisville, Ky., as class A director, and Mr. Le Roy Percy, of Greenville, Miss., as class B director.

On September 30, 1914, the Federal Reserve Board announced the appointment of Mr. William McC. Martin as Federal Reserve Agent and chairman of the board of directors, and Mr. W. W. Smith as deputy Federal Reserve Agent and vice chairman, and that these two gentlemen, together with Mr. John W. Boehne, of Evansville Ind., would be the three class C directors.

On Monday, October 5, 1914, the three class C directors of this bank met with the Federal Reserve Board in its rooms in the Treasury Building at Washington, D. C., to receive preliminary instructions and discuss the necessary steps for the organization of the bank. Upon the return from this meeting, on October 13, an informal meeting of the board of directors was called by the chairman of the board. This had to be an informal meeting, as some of the directors had not had time fully to qualify in accordance with the provisions of the law, and was for the purpose of having the directors become acquainted with one another and talk over tentative plans for the organization of the bank. All the directors were present, except Mr. Le Roy Percy, of Greenville, Miss. At this meeting the chairman read a telegram from the secretary of the Federal Reserve Board, advising that a conference had been called for October 20 in Washington, D. C., and asking that all the directors of each

Federal Reserve Bank be present, if possible. There were selected, as the representatives of this bank, to be present at the meeting of directors in Washington, Mr. Oscar Fenley and Mr. Frank O. Watts, class A directors, Mr. W. W. Smith, class C director, and the chairman of the board. These gentlemen all attended the meeting in Washington, and took part in the discussions with other directors in the consideration of plans for the opening of the banks.

On October 23 the Federal Reserve Board called for the first installment of capital stock, a payment in gold equal to one-sixth of the total amount of capital stock allotted to each bank, such remittance to be made on or before November 2, 1914.

On October 25, 1914, the Secretary of the Treasury stated that he had determined to announce the establishment of the Federal Reserve Banks in all the Federal reserve districts on November 16, 1914. This announcement was made several days before it was possible to hold the first regular meeting of the board of directors of this bank. Its first regular meeting was held on October 28, in the board room of the Mississippi Valley Trust Co., St. Louis. All of the directors were present. Anticipating an early opening of the bank, the chairman of the board had gone ahead and ordered certain records, in order to facilitate matters, and at this meeting of the board his actions were ratified. The directors also decided by lot, on their terms of office, in accordance with the provisions of the law, the result being as follows:

#### CLASS A.

Mr. Frank O. Watts, for a term to expire one year from January 1, 1915.

Mr. Oscar Fenley, for a term to expire two years from January 1, 1915.

Mr. Walker Hill, for a term to expire three years from January 1, 1915.

#### CLASS B.

Mr. Murray Carleton, for a term to expire one year from January 1, 1915.

Mr. W. B. Plunkett, for a term to expire two years from January 1, 1915.

Mr. Le Roy Percy, for a term to expire three years from January 1, 1915.

#### CLASS C.

Mr. William McC. Martin, for a term to expire one year from January 1, 1915.

Mr. Walter W. Smith, for a term to expire two years from January 1, 1915.

Mr. John W. Boehne, for a term to expire three years from January 1, 1915.

A corporate seal was also adopted and by-laws decided on. A committee was appointed to recommend the salaries of the governor of the bank, deputy governor, and cashier, and its report was adopted. The officers elected were as follows: Hon. Rolla Wells, governor; Mr. William W. Hoxton, deputy governor and secretary; Mr. C. E. French, cashier.

This organization meeting of the board occurred on October 28, and the bank had to open its doors for business on November 16, thus giving only a little over two weeks in which to find quarters, get the necessary equipment, and become established. Prior to this time there had been no officers of the bank, except the chairman of the board and the vice chairman, and, in accordance with the call of the Federal Reserve Board, gold was being received in payment of the first installment of capital stock. The chairman of the board accepted these payments as they came, gave his receipt for them, and arranged that they be deposited in a safe-deposit box in the Mississippi Valley Trust Co. Access could be had to this box only by the Federal Reserve Agent when accompanied by Mr. W. W. Smith, his deputy. At the first regular meeting of the board the chairman reported what he and his deputy had done in regard to accepting these payments, and their action was confirmed. As soon as



officers were appointed for the bank and qualified, these capital stock payments were turned over to them, and were found to be correct.

Beginning with October 1 the chairman received a great number of applications for positions with the bank. Wherever possible, the applicants were seen, and all applications were filed in order of receipt, so that when it came to choosing the official staff and the office force, every application was given due consideration.

A number of possible locations for the new bank had been looked over by the chairman and his deputy, and these were reported to the first regular meeting of the board of directors. At this meeting the board appointed these two gentlemen and Governor Wells as a committee to select temporary quarters and to purchase such furniture and equipment as the bank required. At the first meeting of the executive committee, held on November 4, this committee reported that it had succeeded in getting temporary quarters on the fourth floor of the Boatmen's Bank Building. This was a new building, located on the northeast corner of Olive Street and Broadway, and the fourth floor, fortunately, had not been completely finished, so quick work was possible. In order to get it ready for occupancy on November 16 it was necessary that those supplying fixtures and those at work on the building be pushed day and night, but, with great effort, we succeeded in getting everything ready, so that on the morning of November 16, 1914, this bank opened its doors for business.

The vaults were extremely inconveniently located a considerable distance from our banking room, but they were safe, the very best procurable, and we have succeeded in operating with them. Visits to the vaults, due to their location, have consumed a considerable amount of the time of employees, but it was a condition that could not be remedied.

This bank was opened for business promptly on the day set, and had its own staff of officers and employees, though the St. Louis banks had very kindly offered to lend us men if needed.

#### OFFICERS AND EMPLOYEES.

On the day of opening the staff numbered 6 officers and 17 other employees. For a few days it had the assistance of Mr. William C. Tompkins, auditor of the Third National Bank of St. Louis, who helped inaugurate the accounting system, but with this exception, the bank was opened with its own employees.

Eight days after the opening of the bank there was started a limited clearing system, and on December 4 the bank extended its clearing facilities and offered to collect for member banks checks and drafts drawn on any Federal Reserve Bank and checks and drafts drawn on all member banks of this district. In order to have a sufficient force to take care of the possible number of items that might come in under this enlargement of the clearing system, it was necessary to increase the force, so that on January 1, 1915, the bank had 6 officers and 40 employees.

Now that experience has shown the approximate number of items to be expected under given conditions, and the scope of other work necessary in carrying on the operations of the bank, it has been possible to decrease the working force until at the close of this year there were on the rolls 5 officers and 34 employees.

On January 6, 1915, the Deputy Federal Reserve Agent, Mr. Walter W. Smith, resigned to take effect January 15, 1915, to become vice president of the Third National Bank of St. Louis. This vacancy was not filled until June 2, 1915, when the Federal Reserve Board appointed as Mr. Smith's successor, Mr. T. C. Tupper, who had been connected with the bank since its organization as manager of its credit department.

On July 19, 1915, Mr. C. E. French resigned as cashier, to take effect August 7, 1915, as he had been appointed by the Comptroller of the Currency as chief examiner of Federal Reserve District No. 8. Since his resignation, the deputy governor, Mr. William W. Hoxton, has been the acting cashier.

## DIRECTORS AND BY-LAWS.

The by-laws adopted by the board of directors of this bank follow very closely the by-laws suggested at the conference of directors held in Washington prior to the opening of the bank. They prescribe that there shall be two meetings of the board each month, on the first and third Wednesdays, at 10 o'clock a. m., and if that day be a holiday, on the second succeeding full business day. There have been 28 meetings of the board since the organization of the bank, with an average attendance of seven directors.

This bank has four out-of-town directors, and attendance at the board meetings consumes a considerable amount of their time. It takes one of the directors a night and a day to come from his home to St. Louis. It has been reported that there is a rumor that directors receive \$5,000 a year for their services to this bank. It seems impossible that this could be the general impression, but if anyone has such an erroneous idea, this is the place to correct it. The directors of this bank receive their traveling expenses and the usual fee for attending meetings. The money compensation is not anything like adequate for the time these gentlemen give to the affairs of the bank.

The proposed form of by-laws suggested an executive committee, composed of three members of the board, but this was changed so that the by-laws of this bank call for an executive committee consisting of the governor, the Federal Reserve Agent, and three directors chosen from classes A and B, this committee to serve during the pleasure of the board of directors or for terms fixed by it. With the exception of the Federal Reserve Agent, under these by-laws, directors of class C are not eligible as regular members of the executive committee, though it is provided that the governor may invite any other members of the board to sit with the executive committee and that such members have full right of membership during such meeting.

At the first meeting of the board there were elected to serve on the executive committee, in addition to the chairman of the board and the governor of the bank, Mr. Walker Hill, Mr. F. O. Watts, and Mr. Murray Carleton, all of St. Louis. These three elected members were to serve during the pleasure of the board for a term of office expiring at the first regular meeting of the board of directors to be held in January, 1916.

As the by-laws were first passed, the executive committee was not given the right to fix the discount rates, but later it was found advisable to amend them, so that the executive committee now has the power "to fix the discount rates and change same from time to time, subject to review and determination by the Federal Reserve Board."

During the first few months of the bank's existence the executive committee met several times a week. It is now holding two meetings a week, one on Monday and one on Thursday, at 10.30 o'clock a. m. Up to and including December 31, 1915, there have been 150 meetings of the executive committee.

Copy of the by-laws, as amended and in force at the writing of this report, is hereto attached as Exhibit A.

## REDISCOUNT RATES.

On November 16, 1914, the day of opening, this bank established a rediscount rate of 6 per cent for all maturities of paper eligible for rediscount under the law. This rate was justified by the conditions then existing. In the latter part of December and early in January money began to be more plentiful, and it seemed advisable to offer a preferential rate for notes of shorter maturity. Accordingly, on January 7, 1915, a 4½ per cent rate was announced for paper maturing within 30 days, a 5 per cent rate for paper maturing within 60 days, a 5½ per cent rate for paper maturing within 90 days, and a 6 per cent rate on agricultural and live-stock loans running from 90 days to 6 months. Our rediscount rates have been changed from time to time, in accordance with the conditions within the district. On June 24 a rate of 3 per cent was



established on paper maturing within 10 days. It was thought that perhaps this rate could be availed of by our large city banks in order to meet their demands for very short time payments, such as, for instance, building up their legal reserves, temporarily depleted, or the payment of a heavy debit in the clearing house. Much to our surprise, however, the first offering of this class of paper came from a country bank.

During the late winter and early spring member banks' reserves and deposits increased rapidly, and their discount rates consequently declined steadily. During the early part of the year bank rates to customers in the larger cities were about  $5\frac{1}{2}$  to 6 per cent, and commercial paper of the best names was selling from  $4\frac{1}{2}$  to 5 per cent. In March the rate further declined, and 5 per cent was the usual bank rate, with commercial paper selling around 4 per cent. Commercial paper brokers generally complained of an inactive business. Banks looked forward to the period of crop movement, anticipating an increased demand for funds, and accordingly a higher rate of interest. This, however, did not materialize, the demand for crop-moving purposes being below normal, and discount rates remained at a low level. Such being the case, on September 14 this bank reduced its rate on 90-day paper to 4 per cent, putting it on a level with 30 and 60 day rates. On this same day the bank announced a 3 per cent rate, available for "commodity paper," having a maturity of not more than 90 days, provided the bank offering same could certify that the loan was originally made at a rate not exceeding 6 per cent. This was designed to help the carrying of cotton, wheat, and commodities of a like kind. Also, on September 14, in order to encourage the use in business of "trade acceptances," the bank established a rate on this class of paper one-half per cent lower than its 30-day rate, the rate being  $3\frac{1}{2}$  per cent on maturities of not more than 90 days. So far the banks have not availed themselves, to any great extent, of any of the preferential rates—that is, the 3 per cent rate on 10-day paper, the  $3\frac{1}{2}$  per cent rate on trade acceptances, and the 3 per cent commodity-paper rate.

In October of this year the demand was somewhat more active, especially in the southern parts of the district, but this was not sufficient to cause any marked increase in rates. At the end of October the rates were still below normal for this time of the year, the bank rate ranging from  $4\frac{1}{2}$  to 5 per cent, and commercial paper of the best names was scarce even at a rate of  $3\frac{1}{2}$  to 4 per cent for maturities up to six months.

The board of directors of this bank has realized from the beginning that the fixing of rediscount rates was perhaps the most responsible of its functions. In the face of earnings not up to our expectation and with a desire for increased business there was a temptation to lower the rates. However, the board thoroughly appreciated the fact that if rates were placed at so low a level as to encourage member banks to allow their customers to borrow too much money and extend too much, the result would be an overexpansion in business and the possibility of a dangerous situation. The policy of the board has been to establish a rate which would enable the member banks to meet every legitimate demand of business in their respective localities at a reasonable rate to customers and at the same time not stimulate loans to a point of dangerous expansion. Since the bank was established there have been seven changes in the rediscount rates, the dates on which these changes have occurred and the rates for the different maturities being as follows:

	10 days.	30 days.	60 days.	90 days.	6 months.
	<i>Per cent.</i>	<i>Per cent.</i>	<i>Per cent.</i>	<i>Per cent.</i>	<i>Per cent.</i>
Nov. 16, 1914.....		6	6	6	6
Dec. 10, 1914.....		$5\frac{1}{2}$	6	6	6
Dec. 21, 1914.....		5	$5\frac{1}{2}$	6	6
Jan. 7, 1915.....		$4\frac{1}{2}$	5	$5\frac{1}{2}$	6
Feb. 3, 1915.....		4	4	$4\frac{1}{2}$	$5\frac{1}{2}$
Apr. 22, 1915.....		4	4	$4\frac{1}{2}$	5
June 24, 1915.....		3	4	$4\frac{1}{2}$	5
Sept. 14, 1915.....		3	4	4	5

Sept. 14, 1915, trade acceptances, 90 days,  $3\frac{1}{2}$  per cent; commodity paper, 90 days, 3 per cent.

## EFFECT OF FEDERAL RESERVE RATES ON RATES IN GENERAL.

Since the establishment of the Federal Reserve Bank it is interesting to examine the rates which banks have been paying for borrowed money and also the rates which banks have been granting their customers. From reports of member banks made to the Comptroller of the Currency the following is noted: On May 1, 1915, the average rate that banks paid for borrowed money was 5.24 per cent; on June 23, 5.22 per cent; on September 2, 5.05 per cent; and on November 10, 4.96 per cent. This shows a steady decrease in the rate at which banks borrowed from their correspondents. During all this period they could have borrowed from the Federal Reserve Bank at a less rate.

There has also been a decrease in the rate which member banks charge their customers. The 30-day average rate to customers on May 1, 1915, in this district was 7.31 per cent; on June 23, 6.94 per cent; on September 2, 7.06 per cent; and on November 10, 6.87 per cent. The decrease in rates to customers has been greater in two or three of the large cities than in the smaller towns. The country banks, as a rule, have made little decrease in their rates of interest to customers.

## REDISCOUNTING.

On November 18, two days after the opening of this bank, we received our first offering of paper, amounting to \$1,000,000. Our next rediscounts were received on November 23, and totaled \$21,000. On November 27 the next offerings were received, aggregating \$52,000. The following day we received an offering amounting to \$4,224.95, and on November 30 one amounting to \$500,000.

From the opening of the bank to the end of business on Friday, December 4, 1914, this bank had received a total amount of rediscounts of \$1,654,507.76. In fact, two days after the opening of the bank more rediscounts were on hand than have been received during any one week since then. The rediscounts received during the week ending Friday, December 11, 1914, amounted to \$71,500. Since that time the rediscounts have increased with more or less regularity from week to week.

Attached hereto, as Exhibit B, is a statement of commercial paper offered by member banks and accepted each week, showing total of each maturity and total of all maturities to and including December 31, 1915. Also attached, as Exhibit C, is a chart showing the same facts in graphic form.

The total rediscounts accepted by the bank from its opening on November 16, 1914, to December 31, 1915, amounted to \$8,231,082.92. Of this amount, \$2,363,330.16, or 28.71 per cent, was of 30-day maturity; \$2,821,311.81, or 34.28 per cent, was of 60-day maturity; \$2,431,693.76, or 29.54 per cent, was of 90-day maturity; and \$614,747.19, or 7.47 per cent, was of paper maturing within 6 months. Nearly two-thirds of the paper accepted by the bank was of the 60 and 90 day class. There were 3,828 notes accepted during this period, and of this number 118 were for amounts less than \$100 each.

From a study of the number of member banks offering rediscounts from the different States and cities of the district it may be said that the smaller banks, rather than the larger ones, have shown a tendency to use our service. The banks in St. Louis and Louisville have not had occasion to avail themselves, to any great extent, of the rediscount privilege. Below is given a table, showing number of member banks offering rediscounts from each State each month from the opening of the bank, the total number of banks offering rediscounts from the whole district each month, the number and percentage of different banks offering rediscounts from each State, and the number and percentage offering rediscounts from the whole district since the bank's opening:



State or city.	1914		1915												Number of banks rediscounting.	Number of member banks in State.	Percentage of banks rediscounting with Federal Re- serve Bank.
	November.	December.	January.	February.	March.	April.	May.	June.	July.	August.	September.	October.	November.	December.			
Arkansas.....	3	4	4	4	5	5	9	7	9	11	13	7	7	6	24	62	38.7
Illinois.....	5	7	3	3	15	13	18	16	9	16	11	11	11	11	42	157	26.7
Indiana.....	1	1	2	3	3	2	1	2	1	1	2	1	3	4	10	61	16.4
Kentucky.....	1	4	4	3	4	2	3	4	1	4	4	6	7	7	14	61	22.9
Louisville.....																8	
Mississippi.....						1	1	2	3	5	4	3	4	5	8	18	44.4
Missouri.....	3	1	5	3	8	7	8	5	9	13	10	13	8		19	72	25.3
St. Louis.....	3	1	2										1		4	8	50.0
Tennessee.....	1	4	4	6	2	3	5	5	6	7	7	7	8	4	10	20	50.0
Total.....	6	21	24	24	32	34	44	44	34	52	54	45	54	45	131	467	28.0

From November 16, 1914, to January 1, 1916, the number of different member banks accommodated through the discount of paper was 131. The number of different banks accommodated through the discount of paper from January 1, 1915, to the end of the calendar year was 129.

It will be noted that a little over one-fourth of our member banks have availed themselves of the rediscount privilege, and this number is steadily increasing from month to month. We have made regular customers of these banks, the majority of them making frequent offerings. It is gratifying to find this steady normal increase, as it shows that as our member banks become more familiar with the system they are taking advantage of its facilities. This increased use of the rediscount privilege of the Federal Reserve Bank is also shown from an analysis of the reports to the Comptroller of the Currency, to wit: On March 4 this bank held approximately 18 per cent of the total loans of the member banks in this district; on May 1, 18.4 per cent; on June 23, 17.98 per cent; on September 2, 27.03 per cent; and on November 10, 25.17 per cent.

The following table gives the approximate percentage of rediscounts of the Federal Reserve Bank of St. Louis as compared with the total borrowings of member banks for the district and for each State within the district, according to the reports made to the Comptroller of the Currency under calls of March 4, May 1, June 23, September 2, and November 10, 1915:

Date of call.	District.	Arkansas.	Illinois.	Indiana.	Kentucky.	Mississippi.	Missouri.	Tennessee.
Mar. 4, 1915.....	18.40	12.8	13.7	30.9	5.4	.....	10.3	47.3
May 1, 1915.....	18.40	8.9	16.3	33.6	8.2	8.3	10.2	54.0
June 23, 1915.....	17.98	20.6	18.9	27.9	3.6	3.5	15.7	33.9
Sept. 2, 1915.....	27.03	23.8	27.0	34.5	6.7	25.2	22.7	40.9
Nov. 10, 1915.....	25.17	17.9	29.9	15.5	16.0	19.6	17.7	48.3

It is difficult to draw definite conclusions from this statement, as conditions vary considerably in the different sections of the district. From the above, however, it would appear that the member banks in Tennessee have realized the possibilities of the Federal Reserve Act to a greater extent than those of any other State. Indiana also has an excellent record in this respect. The above figures seem to indicate a growing appreciation on the part of bankers in Arkansas, Illinois, and Missouri. The offerings from Kentucky, however, have been spasmodic and rather disappointing.

A further examination of the reports to the Comptroller of the Currency shows that, in spite of the fact that member banks could rediscount with the Federal Reserve Bank, in which they are stockholders, the banks in this district have placed approximately one-third of their total loans with banks located outside of the district. On

March 4 the borrowings of member banks from banks outside of the district amounted approximately to \$1,275,000; on May 1, approximately \$1,070,000; on June 23, approximately \$1,103,000; on September 2, approximately \$1,637,000; and on November 10, approximately \$2,746,000.

If the borrowing banks of this district had placed their loans which they made outside of the district with the Federal Reserve Bank of St. Louis, it would have enabled their Federal Reserve Bank, in which they own stock, to have earned considerably more money and would have not taken any business away from the banks within the district. It appears from the reports to the Comptroller that few, if any, of these loans were made at a less rate of discount than the rate offered by this bank. The average maturity of paper rediscounted with us is probably in excess of 60 days. If it be supposed that these member banks had rediscounted with us the \$7,830,000 of loans which they placed with banks outside of the district, at our 60-day rate—4 per cent—this bank would have received an additional revenue of approximately \$52,200, which would have helped our showing considerably.

The following figures, taken from the reports of member banks to the Comptroller of the Currency, are interesting:

The reports of September 2 showed that loans of member banks were divided as follows:

With banks within the district.....	\$1,580,000
With banks outside the district.....	1,630,000
With Federal Reserve Bank.....	1,190,000
Total.....	4,400,000

Of this total, 27 per cent was borrowed from the Federal Reserve Bank.

The reports of November 10 showed that loans of member banks were divided as follows:

With banks within the district.....	\$2,450,000
With banks outside the district.....	2,745,000
With Federal Reserve Bank.....	1,750,000
Total.....	6,945,000

Of this total, the Federal Reserve Bank held 25 per cent. In brief, the total loan of member banks within this district increased \$2,545,000 from September 2 to November 10. In this same period the rediscounts with the Federal Reserve Bank increased only \$560,000, or about 22 per cent of the increase.

#### CLEARINGS.

Eight days after the opening, on November 24, 1914, this bank inaugurated its clearing system by the collection for its member banks of checks and drafts on other Federal Reserve Banks and checks and drafts drawn by member banks of this district on member banks located in Louisville and St. Louis.

On December 4, 1914, it extended the clearing facilities and offered to collect for member banks checks and drafts drawn on all member banks in this district and checks and drafts drawn on other Federal Reserve Banks. All items handled were credited to the banks from which received, on the day of receipt, and charged to the drawee bank on the same day. It soon developed that banks in reserve and central reserve cities, located outside of District No. 8, were sending in a great number of items on member banks to be cleared at par, while member banks were not able to build up their balances, so depleted by checks on their correspondents located outside of the district. Therefore, on December 18, in order to protect member banks, the bank was compelled to refuse to accept for collection or credit checks or drafts drawn on member banks of this district that bore the indorsement of banks in any reserve or central reserve city located outside of District No. 8. It was forced



to take this step, as there was practically no development of the check clearing system outside of this district.

The clearing system is based on the assumption that the intent of the Federal Reserve Act is that every member bank be required to cover at par all checks and drafts drawn upon it received from the Federal Reserve Bank of which said bank is a member. Therefore the collection system, as first started, was mandatory upon member banks. However, when 10 of the other Federal Reserve Banks started collection systems on the voluntary basis, this bank felt that it should put its member banks on the same basis as the member banks of other districts. Consequently, on April 12, 1915, the bank notified the member banks that on and after May 17, 1915, they would have the option of remaining in the clearing system and having their customers' checks cleared through us at par or of withdrawing from the clearing system and having their customers' checks handled through the old channels. On that date there were 462 member banks in District No. 8, and on May 17, 1915, when the voluntary system went into effect, about 20 per cent of our member banks withdrew. Since that time there have been 12 withdrawals and 9 additions to the clearing system. The fact that there have been any additions indicates that the system as operated by the bank has attracted some banks after they more fully understood it, and the fact that so few have withdrawn indicates that a majority of the member banks in this district consider the system practical.

This bank from the beginning has operated on an immediate credit and immediate debit basis, and therefore, on Tuesday, November 16, 1915, the St. Louis Clearing House Association amended its rules and regulations affecting collection charges, to be in effect on and after December 1, 1915, as follows:

"On all such items payable or collectible at par in St. Louis, where immediate credit is had, the charge shall be discretionary with each bank or trust company. Items collectible at par in St. Louis, where immediate credit is had, shall not be regarded as finally paid until received and paid by banks upon which drawn, and recourse may be had upon the clearing bank on such items as may be dishonored, or for losses occurring in the mails, provided such claims are made in due course."

With this amendment in effect St. Louis business men will be able to receive par for their checks.

Prior to December 4, 1914, the date when the clearing system was enlarged, the transit department went over the situation very carefully, and came to the conclusion that on the opening day it should be prepared to handle at least 20,000 items a day. However, the average number of items received during the first month of the bank's operation did not exceed 5,000 per day. It has felt that it was unsafe, however, to open the bank unless we were prepared for the possibilities.

Below is given a statement showing, by months, the numbers of items and amounts of clearings of the Federal Reserve Bank of St. Louis from the inauguration of its clearing system to December 31, 1915:

	Number of items.	Amount.
Nov. 24 to Nov. 30, 1914.....	8	\$14,312.24
December, 1914.....	115,024	24,611,473.90
January, 1915.....	136,695	28,300,204.08
February, 1915.....	127,227	33,716,002.70
March, 1915.....	154,630	51,190,674.05
April, 1915.....	154,070	56,519,995.37
May, 1915 <sup>1</sup> .....	134,452	47,048,300.31
June, 1915.....	124,028	48,784,820.71
July, 1915.....	129,141	37,460,250.27
August, 1915.....	141,850	35,091,504.87
September, 1915.....	150,851	51,331,290.75
October, 1915.....	182,692	63,532,030.66
November, 1915.....	183,036	77,371,144.41
December, 1915.....	202,876	84,559,718.67
<b>Total</b> .....	<b>1,936,580</b>	<b>642,531,752.99</b>

<sup>1</sup> In May about 20 per cent of our member banks withdrew from the clearing system.

Attached hereto is Exhibit D, giving this information in graphic form.

It will be noted that this statement shows a steady increase for each month up to May, 1915, when the effect of the withdrawal of 97 banks from our clearing system becomes apparent, and a decrease is shown. Beginning with July, however, both the number of items and the amount show a steady increase.

A full clearing system has been in operation over a year. The bank has never attempted to keep down operating expenses at the cost of transit efficiency, and our method in operation, as the records show, has never resulted in dangerous overdrafts. From an operating standpoint it may be said that it is satisfactory.

Gradually exchange charges on checks are being eliminated in this district, and the public is getting a direct benefit from the Federal reserve system. It has been reported that one large firm in the city of St. Louis has had to spend annually in exchange charges approximately \$40,000. Due to the Federal reserve system, this firm and others like it will be saved at least the greater part of this expense. The banks in this district have been in the habit of charging from 5 cents per letter, regardless of total, to one-fourth of 1 per cent of the total for remitting to other banks to cover items drawn on themselves or banks in their own town or city. The majority of the member banks belonging to our clearing system which were in the habit of charging exchange on remittances, as above mentioned, now handle same at par. In the majority of the larger cities in this district it has been the custom of the banks to charge exchange on all items deposited with them for collection by local customers. The charges vary from one-twentieth of 1 per cent to one-fifth of 1 per cent. These charges, as a rule, are made in accordance with the rules of the local clearing house. St. Louis is the only city in our district that we know of where the clearing-house rules have been amended so that banks are no longer obliged to charge on items that are collectible at par and on which immediate credit can be obtained. It is estimated that the saving to local customers of St. Louis banks on items drawn on members of our collection system will average about \$500 a day. This saving will be augmented by additions to the membership of our clearing system and by nonmember banks obtaining from their correspondents facilities similar to those extended by this bank to its members through its collection system.

Attached hereto as Exhibit E is a statement showing average number of items and amount per day for each month since January 1, 1915, cleared on member banks outside of St. Louis, cleared on member banks in St. Louis, sent to other Federal Reserve Banks, and overdrafts of member banks.

#### INVESTMENTS.

Under the law this bank has been limited in its investments to the purchase of United States bonds, warrants based on taxation having maturities of not more than six months, and to acceptances based on the importation or exportation of goods.

This bank now holds \$970,000 par value of United States Government bonds. In view of the fact that each year after this year the bank will have to take its pro rata share of the \$25,000,000 of United States bonds authorized to be purchased under the Federal Reserve Act, and that bonds purchased during this year could not be counted as a part of such pro rata share, and in view of the unsettled condition abroad and other factors, the board of directors of this bank did not deem it wise to tie up more funds in United States Government bonds.

The method of financing political subdivisions by short-time warrants has not been much in use in this district, and it has been difficult to get the kind of warrants acceptable by us under the law. Every effort has been made to encourage financing of this character, and the services of counsel, Mr. James G. McConkey, have been offered to any community where he was needed to suggest the form of warrants and help in their issuance. A number of conferences in regard to this type of financing have been held and considerable correspondence has occurred, and it is hoped that here-



after the district will furnish more warrants of the kind that can be used. The total amount of eligible warrants purchased by this bank up to and including December 31, 1915, was \$2,264,827.87. Very few, if any, bank acceptances based on the importation or exportation of goods, during this year at least, have been obtainable in this district. The total amount of such acceptances received up to and including December 31, 1915, was \$1,800,564.57. The great majority of warrants that this bank has been able to purchase, and all of the bank acceptances, have come through the Federal Reserve Banks of New York, Boston, and Atlanta. The chief source of revenue at all times has been paper rediscounted for our member banks. Attached hereto as Exhibit F is a chart showing in graphic form the total investments held by this bank each Friday from December 11, 1914, to December 3, 1915. This shows commercial paper rediscounted with this bank, bank acceptances bought, United States bonds bought, and warrants bought.

It will be noted that the revenue of the bank shows a steady increase from month to month. Current expenses have been substantially reduced during the last few months, and in November, 1915, this bank earned over its operating expenses \$962.22.

#### FEDERAL RESERVE NOTES.

Since the opening of the bank four shipments of Federal Reserve notes have been received by the Federal Reserve Agent from the Comptroller of the Currency, aggregating \$9,600,000.

On December 1, 1914, the Federal Reserve Agent made the first delivery of Federal Reserve notes to the bank in exchange for collateral deposited with him. The second delivery of notes was made on December 14, 1914.

At the present time there is outstanding \$8,950,000 in Federal Reserve notes, on which the bank has eliminated its liability by the deposit of gold with the Federal Reserve Agent to the amount of \$8,950,000. Of this amount \$3,950,000 is held in the vaults of the Federal Reserve Agent at St. Louis and \$5,000,000 is to his credit with the Federal Reserve Board in Washington.

#### NET DEPOSITS AND CASH RESERVE.

Attached hereto as Exhibit G is a chart showing in graphic form the total cash reserve and net deposits of this bank at the close of business each Friday from November 20, 1914, to December 3, 1915.

#### STATE BANKS AND TRUST COMPANIES.

In district No. 8 there are 2,574 State banks and trust companies. Of this number 985 State banks and trust companies have sufficient capital to qualify for membership in the Federal Reserve system; 1,588 of them have not sufficient capital to make them eligible and would have to increase it to become members. The following statement shows, by States, the number of State banks and trust companies that are eligible and the number not eligible.

*State banks and trust companies eligible for membership in Federal Reserve System.*

State.	Number.	Capital.	Surplus.
Arkansas.....	177	\$10,521,617	\$3,957,580
Illinois.....	174	9,314,300	4,691,890
Indiana.....	80	3,378,000	1,762,160
Kentucky.....	102	8,799,850	4,156,360
Mississippi.....	85	4,738,500	2,263,390
Missouri.....	303	32,047,100	16,963,450
Tennessee.....	55	4,772,460	2,213,900
Total.....	985	73,571,827	36,008,730

*State banks and trust companies not eligible for membership in Federal Reserve System.*

State.	Number.	Capital.	Surplus.
Arkansas.....	251	\$3, 719, 130	\$1, 639, 400
Illinois.....	128	1, 995, 525	815, 310
Indiana.....	42	1, 310, 000	456, 550
Kentucky.....	201	3, 773, 320	1, 705, 250
Mississippi.....	72	1, 104, 350	412, 680
Missouri.....	799	13, 470, 700	18, 426, 120
Tennessee.....	95	1, 518, 398	928, 236
Total.....	1, 588	26, 891, 423	24, 383, 540

The Mercantile Trust Co., of St. Louis, is the only State institution in this district that is a member of the Federal reserve system. It came in while the reserve bank organization committee was organizing the bank and before the Federal Reserve Bank of St. Louis was opened.

There have been a number of inquiries from State banks and trust companies in different parts of the district asking for information, with a view of becoming members of the Federal reserve system.

#### STATISTICS.

An effort has been made by the Federal Reserve Agent to collect reliable information regarding business conditions in this district. It was thought important that information be obtained at first hand from both the borrower, or business man's point of view, and the lender, or the bank's point of view. So far we have been arriving at the lender's point of view from the copies of the statements sent us, rendered on call of the Comptroller of the Currency. This is supplemented by personal interviews with officers of both State and national banks. These personal interviews are written up in the form of a report two or three times a month. In order to get the borrower's viewpoint, we have compiled a list of about 125 firms, in nine cities within this district. These firms are all of the highest rating, and are wholesalers and jobbers dealing in what may be called "the necessities of life." It was felt that these firms were depending on, and therefore familiar with, the local retailers in the smaller cities throughout the district, and that reports on their business would be an accurate index of actual business conditions. Street railway companies in the larger cities of the district furnish us statistics in regard to earnings and number of passengers carried. From other sources we get information in regard to failures and the usual statistics in regard to building, car movements, etc. The heartiest cooperation has been given by all those asked for information by this bank, and we are extremely grateful for the assistance given us.

District No. 8 is largely a farming district, and it is necessary that we keep closely in touch with agricultural conditions. We receive the reports of the Bureau of Crop Estimates at Washington; reports of the Department of Agriculture; reports from the United States Weather Bureau stations in this district, and reports from various State boards in the district. These reports are carefully analyzed, and are then supplemented by personal interviews with men closely in touch with agricultural development.

The rediscount records of the bank are presented graphically on charts. From them we are able to see what effect, if any, the rediscount rate of this bank has on the rediscounts, which maturities are most frequently offered, what sections of the district are availing themselves of the facilities offered by the bank and to what extent.

In district No. 8, statistics fall naturally under three heads, as follows: (1) manufacturing and selling, applying more particularly to St. Louis, Louisville, Memphis, Little Rock, and the larger centers; (2) agriculture and livestock, applying to a great part of the district, and (3) banking conditions, which apply to all of the district.



## BUSINESS AND AGRICULTURAL CONDITIONS DURING THE YEAR.

When this bank opened in November, 1914, the emergency currency, issued by the banks under the Aldrich-Vreeland Act, to a great extent had been retired. In other words, this district had partially recovered from the first shock caused by the declaration of war in Europe the previous August. There was still a general feeling of uneasiness among all classes of business men, for they were fearful of possible complications in our foreign policy, and were uncertain as to the crop of 1915. However, due in no small measure to the establishment of the Federal Reserve Bank of St. Louis, in this district the first quarter of 1915 showed some improvement in general business conditions as compared to the last quarter of 1914. During this first quarter national banks held reserves well over their legal requirements, due, in a great measure, to the reduced reserve requirements under the Federal Reserve Act, and also, to some extent, to a lack of demand for funds for business purposes. At that time the average bank rate to customers in the large cities was approximately 5 per cent, and commercial paper was freely quoted around 4 per cent. The tendency of the money market was toward lower rates.

During the spring months general business showed some improvement. This was indicated by the increased demand for labor and by the decrease in the number of commercial failures. Money rates were low and banks, contrary to the usual custom, were in the market for commercial paper maturing after the crop-moving season. The shipments of wholesalers were below the average for the period, but collections were nearly normal and showed the effect of the enforced liquidation during the preceding six months. The demand for commodities available for export was beginning to be felt and was responsible, in part, for the improvement noted. The live stock and wheat markets showed the effect of this demand more keenly than any of the other branches of industry, and this marked activity continued throughout the spring and early summer.

Climatic conditions during that period were in the main favorable. The rains in June did some damage to the wheat crop, but even so, the various reports indicated that it was considerably above the 5-year average. The temperature was below the normal, generally, but crops grew rapidly and seasonable weather from then on seemed the only thing necessary to insure a successful harvest.

Commencing the latter part of June, this bank had inquired into the cotton situation throughout the district, gathered data in regard to warehouses, given such help as it could to communities that needed proper warehouse facilities, and prepared forms of bonds and warehouse receipts for use when needed. We advised our member banks that, if necessary, we would gladly send someone from this office to help them get their local cotton situation into proper shape. We made it very plain that we were in position to take care of demands arising out of cotton, and that if it were correctly handled there was no reason why there should be forced sale of cotton at distress prices in any place in this district. This developed a general feeling of confidence in the situation, and we believe had a great effect throughout the district. Jobbing houses generally reported an increase in sales during August and this, in turn, affected the business of manufacturers and those who deal in raw materials.

As summer merged into fall, a steady improvement was noted. To a great extent the Federal Reserve Banks had restored confidence, and this was strengthened by reports on crop conditions. Southern States had made an earnest effort to get away from the one crop standard, and were raising, in many instances, several times the usual amount of wheat and corn. However, the cool, damp summer had retarded the harvesting of the crops and even in September there was no really active demand for money from country communities. Bank rates for customers remained fixed at approximately  $4\frac{1}{2}$  per cent to 5 per cent, and commercial paper rates were quoted at from  $3\frac{1}{2}$  per cent to 4 per cent for maturities up to six months.

October, November, and December showed further gains in all industries, and these gains should go far toward overcoming the loss incurred last winter. Business houses, generally speaking, are busy. Country merchants are buying freely, and indications point to a rising market in many of the standard commodities.

Failures showed a decrease both in number and total liabilities each quarter of the year of 1915, and this is an indication of the more favorable conditions now existing. The year has been a peculiar one, in that the large city banks have not had the demand for money from their correspondents they anticipated, nor has the Federal Reserve Bank rediscounted for its member banks the amount of loans that, judging from statistics of previous needs in this district, it had reason to believe it would be called on to rediscount. The Federal Reserve Bank, however, has been of great benefit to District No. 8, for it has restored confidence.

There has been a steady and normal improvement throughout the year, bountiful crops have been harvested, and it can be said that the year closes with an approach to a period of prosperity unknown for some time.

#### WORK THROUGHOUT THE DISTRICT.

This bank had no sooner become established than it became apparent that the chief problem before the officers was to get the member banks to realize not only the facilities at their disposal, but the ease with which they could be used. In some way or other many of the banks in this district got the idea that they had no paper eligible for rediscount, whereas the fact was that, in a majority of instances, the greater part of the paper in their portfolios was eligible. Member banks seemed also to have gotten the idea that there was a great deal of "red tape" connected with the bank and that it was very difficult to do business with it.

Every effort was made by the officers of this bank to have member banks clearly understand the facts as they exist. They have tried to explain that the bank is operated by practical men and that our effort has ever been to have satisfied customers. There is no "red tape" connected with its operations. Its officers have been careful to explain that the Federal Reserve Act did not establish new principles, but, as it were, systematized good banking standards, and they have suggested to State banks that, whether or not they ever came into the system, it was good banking policy for them to conduct their business and get their bill cases into shape the same as requested of member banks. It is gratifying to be able to state that a number of State institutions have written for forms of statements and are beginning to use them.

This bank has never accepted a rediscount that was not accompanied either by the statement of the maker of the note or a statement of the bank offering it, giving, with some particularity, the approximate figures covering what the customer owned and what he owed. The request has been reasonable, for the bank only wants to know what every good banker certainly knows before he grants the loan, whether he gets the information through conversation or gets it on a statement. At first some member banks felt that it would be impossible to get statements. It is a great pleasure to report that, on the whole, member banks have not had the difficulty they anticipated, and in several instances have been able to render a real service to their customers by giving them advice when, with the statement before them, they realized the actual condition then existing. At least a majority of our member banks realize that they have paper eligible for rediscount with this bank, do not think it is hard to do business with it, or that there is any so-called "red tape," and are adopting the plan of receiving statements from their customers, realizing that this is a benefit both to the customers and themselves. This result has not been achieved without a great deal of hard work on the part of the officers of this bank, and there is still considerable work to be done before all of the banks are brought into that close intimate touch with this bank that should exist.



On February 20, 1915, a circular letter was issued, covering eligible paper in detail and giving specific examples of various kinds of notes that are eligible for rediscount. We found this circular effective, but our experience has been that the best work is accomplished when we can talk with our member bankers. The chairman of the board has made addresses in 22 different cities throughout this district and, in some places, has spoken several times. The Deputy Federal Reserve Agent has made several trips throughout our territory, going into the cotton sections to help them get their paper in acceptable shape, and wherever requested to do so, has gone into the bank and examined its paper, suggesting that which is eligible and that which is not. Other officers of the bank have also made trips from time to time. It gives us pleasure to state that our member banks have shown a most friendly feeling of cooperation, and we are grateful to all of them.

#### NEW QUARTERS.

As stated in the early part of this report, this bank was compelled to get temporary quarters at its opening with inconvenient vault facilities. On October 8, 1915, it closed a lease for quarters in what is now known as the New Bank of Commerce Building, on the northeast corner of Broadway and Pine Streets, just one block south of our present location. We took possession of these new quarters during the last week in December, 1915, and the name of the building has been changed to the Federal Reserve Bank Building. This gives us a light, commodious, and most convenient banking room on the second floor, accessible to the street without the use of elevators, with ample and satisfactory vaults.

#### CONCLUSION.

This bank, during its first year of operation, has not made money, though it showed approximately a \$1,000 gain over operating expenses for the month of November, 1915. However, it is felt that a much higher service to the district than the making of money has been rendered. It has stabilized conditions and made it possible for any customer in the district to get money at a reasonable rate; has operated a clearing system which has resulted in the elimination of exchange charges on a large majority of the checks drawn on member banks in the district and the consequent advantage to business men of district No. 8; has materially helped some banks in communities suffering from three years of continuous drouth, and at all times has been in position to give any assistance needed, no matter what the emergency, to any deserving bank in the district.

UNIVERSITY OF ILLINOIS LIBRARY

#### EXHIBIT A.

SEP 1 1921

#### BY-LAWS OF THE FEDERAL RESERVE BANK OF ST. LOUIS.

#### ARTICLE I.—*Directors.*

SECTION 1. *Quorum.*—A majority of the directors shall constitute a quorum for the transaction of business, but less than a quorum may adjourn from time to time until a quorum is in attendance.

SEC. 2. *Vacancies.*—As soon as practicable after the occurrence of any vacancy in the membership of the board, the chairman of the board shall take such steps as may be necessary to cause such vacancy to be filled in the manner provided by law.

SEC. 3. *Meetings.*—There shall be a regular meeting of the board on the first and third Wednesdays of each month, at 10 o'clock a. m., or if that day be a holiday, on the second succeeding full business day. The chairman of the board may call a special meeting at any time, and shall do so upon the written request of any three directors or of the governor. Notice of regular and special meetings may be given by mail or by telegraph. If given by mail, such notice shall be mailed at least five days before the date of the meeting. If given by telegraph, such notice shall be dispatched at

least two days before the date of the meeting. Notice of any meeting may be dispensed with if each of the directors shall in writing waive such notice.

SEC. 4. *Powers.*—The business of this bank shall be conducted under the supervision and control of its board of directors, subject to the supervision vested by law in the Federal Reserve Board. The board of directors shall appoint the officers and fix their compensation.

The board may appoint legal counsel for the bank, define his duties, and fix his compensation.

SEC. 5. *Special committees.*—Special business of the bank may be referred from time to time to special committees, which shall exercise such powers as the board may delegate to them.

SEC. 6. *Order of business.*—The board may from time to time make such regulations as to order of business as may seem to it desirable.

## ARTICLE II.

SECTION 1. *How constituted.*—There shall be an executive committee consisting of the governor, the Federal Reserve Agent, and three directors chosen from classes A or B; the member or members of the committee chosen by the board shall serve during the pleasure of the board, or for terms fixed by it. The governor shall have authority to invite any other members of the board of directors to sit with the executive committee at any regular or special meeting, such member or members to have full rights of membership during such meeting or meetings. Not less than three members of the committee shall constitute a quorum for the transaction of business, and action by the committee shall be upon the vote of a majority of those present at any meeting of the committee.

The committee shall have power to fix the time and place of holding regular or special meetings, and the method of giving notice thereof.

Minutes of all meetings of the executive committee shall be kept by the secretary, and such minutes, or digests thereof, shall be submitted to the members of the board of directors at its next succeeding meeting. Such minutes shall be read to the meeting if required by any member of the board.

SEC. 2. *Powers.*—Subject to the supervision and control of the board of directors, as set forth in Article I, section 4, the executive committee shall have the following powers:

- (a) To pass upon all commercial paper submitted for discount.
- (b) To initiate and conduct open-market transactions.
- (c) To fix the discount rates and change same from time to time, subject to review and determination by the Federal Reserve Board.
- (d) To buy and sell securities.
- (e) To apply for and provide for the security of such Federal Reserve notes as may, in the judgment of the committee or of the board, be necessary for the general requirements of the bank.
- (f) To employ or to delegate to officers of the bank authority to employ clerks and other subordinates, and to define their duties and to fix their compensation.
- (g) To approve bonds furnished by the officers and employees of the bank, and to provide for their custody.
- (h) In general, to conduct the business of the bank subject to the supervision and control of the board of directors.

## ARTICLE III.—Officers.

SECTION 1. The board of directors shall appoint a governor, a deputy governor, a secretary, and a cashier, and shall have power to appoint such other officers as the board may from time to time determine to be necessary and appropriate for the conduct of the business of the bank. The offices of deputy governor, secretary, and cashier, or any two of them, may be held by one person, in the discretion of the board. The officers chosen by the board shall hold office during the pleasure of the board.

SEC. 2. *Federal Reserve Agent.*—The Federal Reserve Agent, as chairman of the board, shall preside at meetings thereof. Copies of all reports and statements made to the Federal Reserve Board shall be filed with the Federal Reserve Agent.

SEC. 3. *Deputy Federal Reserve Agent.*—In the absence or disability of the Federal Reserve Agent his powers shall be exercised and his duties performed by the Deputy Federal Reserve Agent, who may perform such other services as shall be prescribed by the board of directors not inconsistent with his duties as provided by law.

SEC. 4. *The governor.*—Subject to the supervision and control of the board of directors, the governor shall have general charge and control of the business and affairs of



the bank, and he shall be the chairman of the executive committee. He shall have power to make any and all transfers of securities or other property of the bank which may be authorized to be sold or transferred by the executive committee or by the board. The governor shall have power to prescribe the duties of all subordinate officers and agents of the bank where such duties are not specifically prescribed by law or by the board of directors or by the by-laws. The governor may suspend or remove any employee of the bank.

SEC. 5. *The deputy governor.*—In case of the absence or disability of the governor his powers shall be exercised and his duties discharged by the deputy governor, and in case of the absence or disability of the deputy governor the board shall appoint one of the other directors governor pro tem. The duties of the deputy governor shall otherwise be such as may be prescribed by the board of directors or by the governor. In case the board shall deem that the business of the bank requires the appointment of one or more assistant deputy governors, it shall have authority to appoint such assistant deputy governor or governors, and shall prescribe and define his or their duties.

SEC. 6. *The secretary.*—The secretary shall keep the minutes of all meetings of the board and of all committees thereof. He shall have custody of the seal of the bank, with power to affix same to certificates of stock of the bank, and by authority of the board or the executive committee, to such other instruments as may from time to time be required. The board of directors may, in the absence or disability of the secretary, or upon other occasion where in the discretion of the board greater convenience can be attained, appoint a secretary pro tempore or empower one or more officers to affix the seal of the bank to certificates of stock or other instruments. The secretary shall perform such other duties as may from time to time be prescribed by the board of directors, the executive committee, or the governor.

The cashier and at least one other officer designated by the board of directors shall have joint custody of the inactive reserve of the bank and bonds purchased by the bank for investment. All other moneys and investments shall be in the custody of the cashier. He shall perform such other duties as may be assigned to him from time to time by the executive committee, the board of directors or the governor. In the event of the absence or inability of the cashier to act, then the governor or the executive committee shall have power to appoint some officer to act in his stead.

#### ARTICLE IV.—*Certificates of stock.*

SECTION 1. *Signature.*—All certificates of stock, or of payment of or on account of stock subscriptions, shall be signed by the governor or a deputy governor, and the secretary or cashier, or such other officers as may be prescribed by the board, and such certificates shall bear the corporate seal.

#### ARTICLE V.

SECTION 1. *Business hours.*—The bank shall be open for business from 10 o'clock a. m. to 3 o'clock p. m. on each day except Sundays or days or parts of days established as legal holidays.

The bank shall be open for business from 10 o'clock a. m. to 12 o'clock noon on Saturdays.

#### ARTICLE VI.—*Amendments.*

These by-laws may be amended at any regular meeting of the board by a majority vote of the entire board: *Provided, however,* That a copy of such amendment shall have been mailed to each member at least 10 days prior to such meeting.

## EXHIBIT B.

*Commercial paper offered by member banks accepted each week, showing total of each maturity and total of all maturities to and including December 31, 1915.*

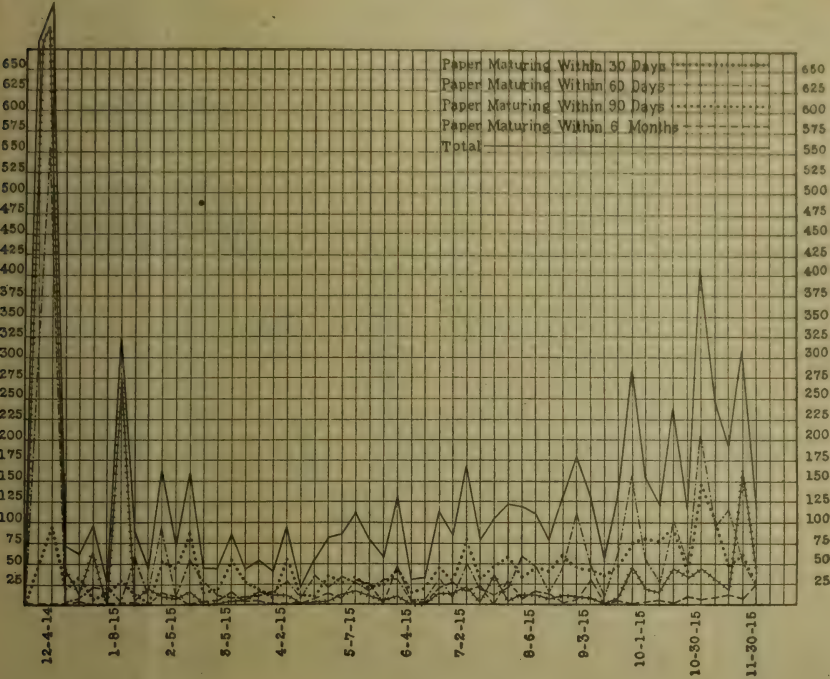
Week ending—		30 days.	60 days.	90 days.	6 months.	Total of week.
1914.		Dollars.	Dollars.	Dollars.	Dollars.	Dollars.
Dec.	4.	1,007,729.83	551,582.82	95,195.11		1,654,507.76
	11.	43,000.00	3,000.00	23,000.00	2,500.00	71,500.00
	18.	14,295.76	9,008.58	34,927.96	5,000.00	63,232.30
	24.	65,591.60	24,195.10	8,100.00		97,886.70
	31.	3,957.75	5,213.05	17,228.26		26,399.06
1915.						
Jan.	8.	281,331.46	6,552.57	27,500.00	6,000.00	321,384.03
	15.	4,000.00	62,587.43	14,613.81	4,161.45	85,362.69
	22.	20,502.00	12,693.23	5,639.19		38,834.42
	29.	9,046.78	92,650.39	51,208.95	15,008.87	167,914.99
Feb.	5.	7,667.49	10,063.78	46,617.73	10,299.32	74,648.32
	12.	16,551.03	52,652.38	88,851.33	1,946.11	160,000.85
	19.		26,000.00	12,742.50	4,143.60	42,886.10
	26.	1,872.52	11,872.38	22,348.82	6,003.00	42,096.72
Mar.	5.	5,775.50	8,299.71	54,487.50	15,105.52	83,668.23
	12.	5,036.26	7,239.08	26,916.37	3,986.80	43,178.51
	19.	16,372.03	16,213.27	16,880.86	5,520.40	54,486.56
	26.	13,144.00	15,593.83	11,245.90		39,983.73
Apr.	2.	12,713.21	27,888.91	54,625.94	511.67	95,739.73
	9.	3,200.00	9,860.00	11,550.00		24,610.00
	16.	3,848.70	36,038.88	10,839.95	9,069.37	59,796.90
	23.	4,638.22	24,177.00	34,919.69	16,456.36	80,191.27
	30.	14,272.99	31,052.42	28,243.45	11,507.88	85,076.74
May	7.	18,056.12	25,792.19	34,922.48	32,610.38	112,381.17
	14.	8,800.50	20,355.83	23,295.58	25,160.72	77,612.63
	21.	4,877.00	30,271.94	25,223.10	1,309.82	61,681.86
	28.	8,062.69	30,892.22	45,518.00	46,455.38	130,928.29
June	4.	900.00	10,562.15	12,290.56	5,999.48	29,752.19
	11.	151.75	9,148.42	19,755.00	2,550.00	31,605.17
	18.	13,739.83	33,004.40	43,584.68	21,362.90	111,692.30
	25.	15,399.71	9,987.44	30,185.89	28,899.95	84,472.99
July	2.	22,197.93	50,744.45	78,207.47	18,205.19	169,355.04
	9.	3,729.41	18,980.54	31,097.15	24,953.49	78,760.59
	16.	39,367.56	13,690.13	49,189.12	979.50	103,226.31
	23.	6,940.00	24,072.09	64,624.53	28,460.86	124,097.48
	30.	11,885.14	66,014.78	34,746.71	8,899.04	121,455.67
Aug.	6.	11,597.36	43,035.12	42,466.96	15,782.50	112,851.94
	13.	8,399.50	15,644.00	40,374.47	12,257.24	76,675.21
	20.	11,022.27	48,347.52	65,356.12	4,612.88	129,338.79
	27.	10,976.44	112,204.80	44,424.20	10,715.00	178,320.44
Sept.	3.	7,221.76	47,235.55	42,240.74	33,894.69	130,592.14
	10.	4,133.00	11,030.77	38,378.47	2,355.00	55,897.24
	17.	10,241.35	61,976.91	49,988.28	7,186.50	129,393.04
	24.	48,916.33	155,448.27	75,613.99	2,890.00	282,868.59
Oct.	1.	18,522.33	55,377.73	76,019.37	4,207.75	154,127.18
	8.	15,845.14	27,217.64	71,587.83	9,642.90	124,293.51
	15.	40,358.54	100,718.36	93,641.99	3,027.90	237,746.79
	22.	32,598.76	39,256.13	36,482.80	11,096.50	119,434.19
	31.	47,061.61	205,492.58	143,050.24	9,255.01	404,759.44
Nov.	7.	32,405.71	95,684.38	105,804.11	13,779.16	247,673.36
	14.	20,287.62	116,385.52	50,609.27	4,188.83	191,471.24
	21.	163,453.89	51,775.70	64,568.39	25,967.45	308,770.43
	30.	42,988.53	25,436.25	28,996.34	24,517.78	121,938.90
Dec.	7.	38,329.69	77,989.92	38,168.79	17,379.04	171,867.44
	14.	18,461.17	51,014.26	30,052.39	800.00	100,327.82
	21.	25,185.45	66,637.17	56,637.26	6,000.00	154,459.88
	31.	46,764.54	21,481.34	47,408.16	32,214.01	147,868.05
Total from Nov. 16, 1914, to and including Dec. 31, 1915.		2,363,330.16	2,821,311.81	2,431,693.76	614,747.19	8,231,082.92
Percentage of each maturity		28.71	34.28	29.54	7.47	100

<sup>1</sup> These figures include rediscounts accepted from opening of bank to Dec. 4, 1914.



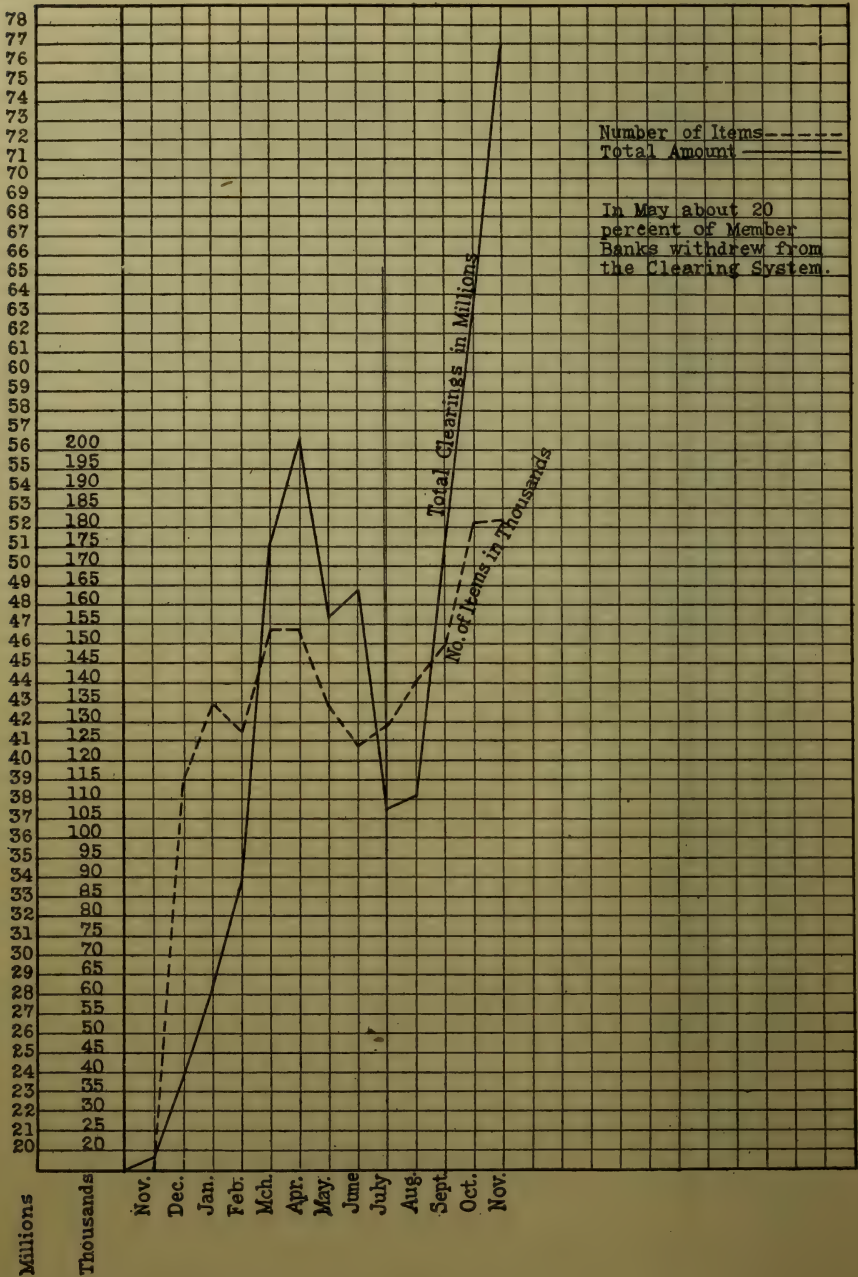
EXHIBIT C.

Commercial paper offered by member banks and accepted each week, showing total of each maturity and total of all maturities from December 4, 1914, to November 30, 1915 (in thousands).



## EXHIBIT D.

Number of items (in thousands) and total clearings (in millions) each month.

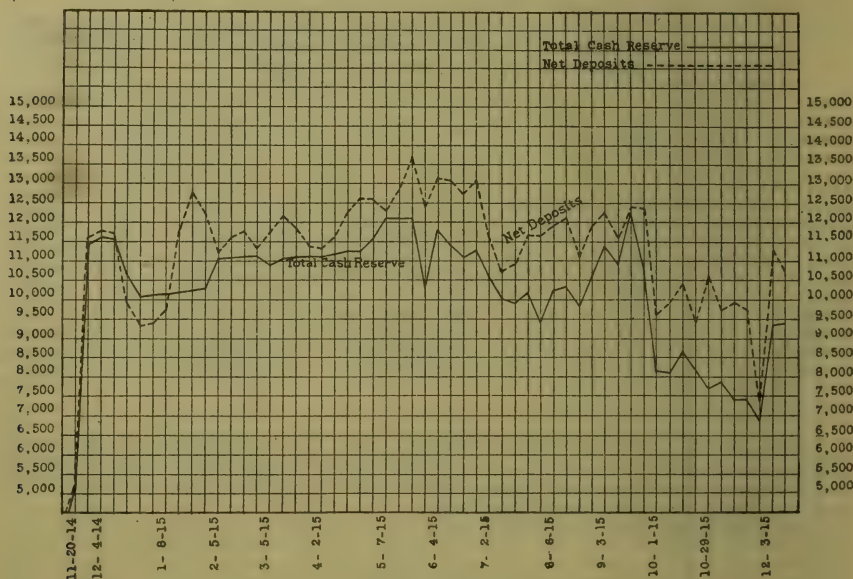






## EXHIBIT G.

*Total cash reserve and net deposits each Friday, from November 20, 1914, to December 3, 1915 (in thousands).*





**THIRD ANNUAL REPORT**  
**OF THE**  
**FEDERAL RESERVE BANK**  
**OF ST. LOUIS**

**FOR THE YEAR ENDED DECEMBER 31, 1917**

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LETTER OF TRANSMITTAL.

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FEDERAL RESERVE BANK,  
*St. Louis, Mo., January 15, 1918.*

SIR: I have the honor to transmit herewith the third annual report of the Federal Reserve Bank of St. Louis, covering the year ended December 31, 1917.

Respectfully,

WM. McC. MARTIN,  
*Chairman and Federal Reserve Agent.*

HON. W. P. G. HARDING,  
*Governor, Federal Reserve Board,*  
*Washington, D. C.*

# ATTACHMENT TO CHARTER

THE CHARTER OF THE  
CITY OF BOSTON, AS AMENDED  
BY THE CITY COUNCIL, IN THE YEAR  
OF OUR LORD ONE THOUSAND NINE HUNDRED AND SEVEN

AND THE CITY OF NEW YORK,  
IN THE YEAR OF OUR LORD ONE THOUSAND NINE HUNDRED AND SEVEN

AND THE CITY OF PHILADELPHIA,  
IN THE YEAR OF OUR LORD ONE THOUSAND NINE HUNDRED AND SEVEN

AND THE CITY OF BALTIMORE,  
IN THE YEAR OF OUR LORD ONE THOUSAND NINE HUNDRED AND SEVEN

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# THIRD ANNUAL REPORT OF THE FEDERAL RESERVE BANK OF ST. LOUIS.

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## FINANCIAL RESULTS OF OPERATION.

For the months of January, February, March, and April, 1916, the Federal Reserve Bank of St. Louis showed no net earnings, but in May of that year the earnings were \$1,888.47, and from that date steadily increased month by month until in December, 1916, the net earnings amounted to \$23,191.18.

For the month of January, 1917, the earnings amounted to \$18,971.82, and from that figure they steadily increased throughout the entire year. In this connection, it must be remembered that in this district January, February, March, and frequently April, are the lean months, and it must also be borne in mind that war was not declared until April of this year. It is therefore reasonable to presume that the earnings for these first four months in 1917 were not due especially to abnormal conditions but, it would seem, were due more particularly to the fact that banks had begun to realize how easily they could do business with the Federal Reserve Bank and were using its facilities.

Attached hereto, as Exhibit A, is a statement showing earnings and expenses, by months, for the years 1916 and 1917. This shows that during the year 1917 the percentage of expenses to earnings has decreased from 39.58 per cent to 25.93 per cent.

In 1917 the earnings of the Federal Reserve Bank of St. Louis amounted to \$738,713.38, and the expenses of the bank were \$236,557.34, leaving net earnings of \$502,156.04.

On March 31, 1917, the bank paid a dividend for the period from April 1, 1915, to June 30, 1915, and on June 30, 1917, it paid a dividend for the period from July 1, 1915, to December 31, 1915. On December 31 of this year the bank paid a dividend for the year 1916. This left a balance in the profit and loss account of \$230,338.58.

## COMPARATIVE BALANCE SHEETS FOR DECEMBER 31, 1916 AND 1917.

These comparative balance sheets, which are attached to this report as Exhibit B, disclose an increase in the earning assets of this bank

of \$32,988,518.58. Last year a comparison of the balance sheets of 1915 and 1916 showed a large increase in earning assets of all classes of investments, excepting bills discounted for member banks. This year, as compared with 1916, the balance sheet shows a large increase in all items excepting that of municipal warrants. In 1916 the principal source of income was open-market purchases of bankers' acceptances. During this year the largest source of income has been from bills discounted for member banks, in which there has been a very large increase.

An increase is shown in capital, due in large measure to the admission of State banks into the system. There is also a large increase in deposits, both gross and net.

#### PROFIT AND LOSS STATEMENT FOR YEARS 1916 AND 1917.

During 1917 the earnings from bills discounted for member banks were much larger than those from any other source. The percentage of earnings derived from the various sources for 1916 and 1917 are as follows:

	1916	1917
Bills discounted for other Federal Reserve Banks .....		1
Bills discounted and loans to member banks .....	16	47
Acceptances .....	28	23
Municipal warrants .....	12	2
Interest on United States securities .....	23	15
Transfers bought .....	10	8
United States securities, profit and appreciation .....	9	.....
Sundry .....	1	4
Total .....	100	100

Attached hereto as Exhibit C is a comparative profit-and-loss statement covering the years 1916 and 1917.

#### GENERAL BUSINESS AND BANKING CONDITIONS IN THE DISTRICT.

During 1916, from month to month, business steadily increased until at the end of the year it was at an extremely high level. Prices also steadily increased, but at the end of the year they had not reached a point which had curtailed demand. It continued steady for both luxuries and necessities.

During the early part of 1917, business continued unabated and was not affected by the usual after Christmas dullness. However, in the early months of 1917, what we may call unrestrained buying which was in evidence in the latter part of 1916, began to lessen, and by the latter part of February buyers began to discriminate. Prices made them pause a little, both buyer and seller became more conservative, and speculative buying in this district was about eliminated. However, the buying power of the public continued very



large, especially in those sections of this district contiguous to Little Rock and Memphis.

During April, 1917, business, while still active, did not increase in the same ratio as in the past months. Reports from different houses throughout the district in describing their business, spoke of it as "good" and "extremely active," although on closer analysis it would seem that while business houses were doing a large business as measured by amounts, it was not so large when measured by the number of transactions. In other words, there were not as many buyers, but those who bought paid more for the product.

This country was declared to be at war with Germany in April, 1917, but business seemed to have discounted the emergency and was well prepared. It continued during May at a high level, its tone being one of conservatism, with a strong underlying feeling of confidence. A scarcity of canned goods became apparent and also a scarcity of sugar.

Building began to show the high cost of material, and while it had never been as active during the previous months as other lines, it now began to fall off perceptibly.

During June, July, and August the war showed its sobering effect, and reports from throughout the district showed a quieter condition in practically all lines, except munitions. Business was operated on a conservative basis during these months. While the volume of sales in wholesale lines continued to be large, they showed smaller increases than for the previous months. The demand for merchandise from dry-goods jobbers became less than it had been for a number of months previous. Prices continued to increase, and showed a decided effect on such articles as the public could conveniently do without. Previous to this the prices of luxuries had made the public pause, but now they began to make them stop buying. Doubtless the campaign for economy, which was then beginning, also had its effect. However, business held up well, and collections were good.

During the latter months of the year business in general has been active, the increase in dealings for supplies necessary for war bringing up the average. In October wholesalers and jobbers reported that they were doing a large business, and the consumption of goods was indicated rather than the accumulation of stocks in the hands of the retailer.

This year the wheat crop in this district was largely in excess of that of 1916, but below the five-year average. The oats and corn crops were well above those of 1916 and the five-year average. The cotton crop was only from 60 to 75 per cent of last year's crop. It was at least a month late, and was caught by a killing frost about October 8. It also moved very slowly, due in great measure to the lack of vessels to carry it from port.

The tobacco crop in general was good.

The price index of all crops was 46.1 per cent higher than a year ago, and 104.3 per cent higher than the average of the preceding five years. Throughout the year there has been large buying power in the rural communities, and business, measured in dollars, continues active. A number of country merchants are buying now for the future, apparently feeling that prices will not be lower.

Throughout the year there has been a shortage in cars. Until March there was little difficulty in handling shipments to the South and West, but there were serious delays in handling shipments to the East. The shortage has increased, and as the year closes transportation in all directions is in an extremely unsatisfactory condition.

Labor has been unsettled throughout the year, and there have been many small strikes and threats to strike.

At the beginning of the year the deposits of all banks in this district were at a high level and money was easy. Prevailing rates to customers in St. Louis were from 4 to  $4\frac{1}{2}$  per cent, and in other sections of the district the rate was somewhat higher. As the year closes, deposits in the banks in this district are higher than at the same time last year. In the large centers the rates to customers range from  $5\frac{1}{2}$  to 6 per cent, with rates in the outlying districts slightly higher. In brief, during 1917 the rates charged customers by banks in the larger centers have increased about  $1\frac{1}{2}$  per cent. This country is engaged in the greatest war in history; two Liberty bond issues, aggregating \$5,808,766,150, have been sold. In December of this year, in this district, the Government withdrew from the banks over \$60,000,000, and many of the banks also had to make the second payment on the second issue of Liberty loan bonds approximately \$17,000,000. This showed its effect on the reserves of the banks throughout the district, but because they could rediscount with the Federal Reserve Bank of St. Louis, business felt little, if any, effect. In fact, the increase in rates to customers is probably due more to delay in transportation than to the bond issue. Mail in transit is all behind time, making the "float" in checks on the average a day late in this district. Cars can not be obtained for shipment, and this requires that the commodities, greater in value than for years previous, be carried longer. It is worth repeating again that in our first year of the war, rates to customers have increased only  $1\frac{1}{2}$  per cent.

## ACTIVITIES OF THE FEDERAL RESERVE BANK DURING THE YEAR.

### DISCOUNT OPERATIONS.

The total rediscounts accepted by this bank during the year 1917 amounted to \$181,117,651.14. Of this amount \$68,983,149.22 con-



sisted of notes or single-name paper; \$3,114,505.68 of trade acceptances or two-name paper; \$427,277.24 of commodity paper, and \$108,592,719 of notes of member banks secured by United States certificates of indebtedness, Liberty bonds, or eligible commercial paper as collateral.

From January 1 to December 31, 1916, the total rediscounts accepted by the bank amounted to \$8,842,666.57. Thus there was an increase in the amount of rediscounts accepted by the Federal Reserve Bank during 1917 over the previous year of \$172,274,984.57.

In December this bank rediscounted for another Federal Reserve Bank \$5,000,138 of notes secured by Liberty bonds. This was the first time this bank rediscounted for another Federal Reserve Bank.

During 1917 there were 8,471 notes rediscounted for member banks. During 1916 there were 3,133 notes rediscounted for member banks, showing an increase of 5,338 in the number of notes handled.

Attached hereto, as Exhibit D, is a table showing the volume of discounts accepted from each State each month, the total amount accepted from each State during the whole year, and the number of banks in each State rediscounting each month, and attached, as Exhibit E, is a table showing the volume of rediscounts of the different maturities and classes accepted each month and during the whole year.

#### DISCOUNT RATES.

The following schedule shows the rates in effect at the first of the year, and the changes made during the year:

In effect—	15 days.	30 days.	60 days.	90 days.	6 months.	Commodity paper.				Trade acceptance.				15-day collateral notes.
						15	30	60	90	15	30	60	90	
Jan. 1, 1917....	3½	4	4	4	4½	3½	3½	3½	3½	3	3	3	3½	3½
Jan. 5, 1917....	3½	4	4	4	4½	3½	3½	3½	3½	3½	3½	3½	3½	3½
Feb. 9, 1917....	3½	4	4	4	5	3½	3½	3½	3½	3½	3½	3½	3½	3½
Nov. 7, 1917....	3½	4	4	4½	5	3½	4	4	4½	3½	3½	3½	3½	3½
Dec. 11, 1917..	4	4½	4½	4½	5½	4	4½	4½	4½	4	4	4	4	3½-4

#### ACCEPTANCE BUSINESS.

This bank during the year 1917 purchased a total of \$29,732,271.79 bankers' acceptances. Of this amount \$7,290,201.25 were purchased from member banks and \$300,000 from nonmember banks in this district. The remainder was purchased mostly through the Federal Reserve Banks of New York and Boston. The rates on these acceptances ranged from 2½ to 4 per cent.

#### MUNICIPAL WARRANTS.

This bank purchased during 1917 a total of \$1,005,000 par value municipal warrants at rates ranging from 2½ to 3¾ per cent.



## OVERDUE PAPER.

This bank has no overdue paper on hand.

## CHANGES IN THE RESERVE POSITION OF THE BANK DURING THE YEAR.

On December 31, 1916, our total reserve against all liabilities was 60.8 per cent and on the same date this year the percentage was 58.8 per cent.

The following table shows the reserve position of the Federal Reserve Bank of St. Louis at the close of each month during the year 1917:

	Net deposits.	Outstanding Federal Reserve notes.	Total.	Total reserves.	Per cent.
Jan. 31.....	\$28,525,372.28	\$15,960,305	\$44,485,677.28	\$33,821,401	76.0
Feb. 28.....	25,047,603.63	14,989,370	40,036,973.63	28,053,259	70.1
Mar. 31.....	29,202,912.36	14,160,270	43,363,182.36	32,950,862	75.9
Apr. 30.....	21,856,045.55	15,061,770	36,917,815.55	25,199,942	68.3
May 31.....	29,608,753.62	15,767,670	45,376,423.62	30,427,185	67.0
June 30.....	42,577,207.10	17,346,870	59,924,077.10	47,179,671	78.7
July 31.....	43,955,240.90	18,674,970	62,630,210.90	49,186,340	78.5
Aug. 31.....	41,197,416.57	21,694,020	62,891,436.57	46,562,675	74.0
Sept. 29.....	40,000,055.31	26,970,205	66,970,260.31	43,942,323	65.6
Oct. 31.....	42,842,016.77	40,207,655	83,049,671.77	56,745,832	68.3
Nov. 30.....	51,159,449.41	54,080,240	105,239,689.41	77,647,676	73.8
Dec. 31.....	40,659,878.87	59,923,030	100,582,908.87	59,136,094	58.8

## THE FEDERAL RESERVE BANK AND MEMBER BANKS.

## CHANGES IN MEMBERSHIP DUE TO TRANSFERS FROM AND TO OTHER DISTRICTS.

There has been no change in membership in this district due to transfers to and from other districts. The boundary lines of the district have not been changed since originally designated by the organization committee.

## MOVEMENT OF MEMBERSHIP WITHIN THE DISTRICT.

On January 1, 1917, the Federal Reserve Bank of St. Louis had 469 member banks, consisting of 468 national banks and one trust company. Its authorized capital stock on that date was \$5,599,500, of which one-half, or \$2,799,750, was paid in. During the year four national banks, nine State banks, and three trust companies became members, increasing the authorized capital stock of this bank in the sum of \$1,366,900. Thirty-three banks were allotted 279 additional shares of stock of this bank, which further increased its authorized capital \$27,900.

During 1917 seven member banks holding a total of 426 shares of stock, surrendered their membership through liquidation, and three banks surrendered portions of their holdings aggregating 25 shares.

on account of reductions in their capital or surplus, thereby decreasing the capital stock of this bank in the sum of \$45,100.

At the close of 1917 this bank had a total of 478 member banks, consisting of 465 national banks, nine State banks, and four trust companies, and its authorized capital was \$6,949,200, of which \$3,-474,600 was paid in. This shows a net increase of nine in the number of member banks, and a net increase in the paid-up capital stock of \$1,349,700 over 1916.

#### RELATION TO NATIONAL BANKS.

It is believed that all the national banks in this district, through daily contact with this bank, brought about by its clearing system which in some form has been in operation practically since the opening of the bank, have been brought into closer relation with it. With banks that have rediscounted with us, any idea of "red tape" which once existed, has disappeared, and they find that they can do their business with us as easily as they have conducted their business with other banks. On the other hand, this bank has always taken the position that, even though its member banks must keep deposits with us, under the law, nevertheless, it should make every consistent effort to please its customers just as if it were a commercial bank competing for deposits. .

#### STATE BANKS AND TRUST COMPANIES.

During the year 1917 twelve State banks and trust companies have taken stock in the Federal Reserve Bank of St. Louis. They are:

Date of admission.	Name.	Location.	Capital and surplus.	Total resources.
Apr. 12, 1917	St. Louis Union Bank.....	St. Louis, Mo.....	\$5,000,000.00	\$45,530,370.33
May 4, 1917	Mississippi Valley Trust Co.....	do.....	6,500,000.00	31,297,412.73
May 31, 1917	International Bank.....	do.....	1,000,000.00	8,100,583.91
June 9, 1917	German Savings Institution.....	do.....	2,500,000.00	21,243,246.09
July 2, 1917	German Insurance Bank.....	Louisville, Ky.....	750,000.00	8,470,284.18
Oct. 10, 1917	Lafayette South Side Bank.....	St. Louis, Mo.....	1,200,000.00	13,264,217.67
Oct. 30, 1917	Franklin Bank.....	do.....	1,300,000.00	9,478,230.67
Nov. 2, 1917	German-American Bank.....	do.....	1,700,000.00	9,915,950.37
Oct. 31, 1917	Union & Planters Bank & Trust Co.....	Memphis, Tenn.....	1,600,000.00	15,307,795.76
Nov. 15, 1917	Paoli State Bank.....	Paoli, Ind.....	25,750.00	191,074.49
Dec. 15, 1917	State Savings Loan & Trust Co.....	Quincy, Ill.....	1,000,000.00	7,947,274.67
Dec. 20, 1917	Effingham State Bank.....	Effingham, Ill.....	60,000.00	677,843.72

Prior to the admission of the above, the Mercantile Trust Co. of St. Louis was the only State institution which was a member of the Federal Reserve Bank of St. Louis. It has been a member of the Federal Reserve system ever since the system was established.

The number of State banks and trust companies eligible for membership, by States, exclusive of those that have already joined, are as follows: Arkansas, 177; Illinois, 172; Indiana, 88; Kentucky, 101; Mississippi, 85; Missouri, 296; Tennessee, 54; total, 973.

On May 18, 1917, Mr. W. L. Hemingway, president of the Mercantile Trust Co. of Little Rock, Ark., called a meeting in that city of all the eligible State banks and trust companies in that State. The chairman of the board of this bank met with them and discussed the advantages of membership.

It is not an overstatement to say that since the President's appeal to nonmember banks to join the system practically all of the eligible State banks and trust companies in this district are giving the matter of membership serious consideration.

#### ACCOMMODATION OF MEMBER BANKS THROUGH DISCOUNTS.

Below is given a table showing the number of different member banks offering rediscounts from each State each month during 1917, the total number of different banks offering rediscounts from the whole district each month, the number and percentage of different banks offering rediscounts from each State during the year, and the number and percentage of different banks offering rediscounts in the whole district during the year.

State.	January.	February.	March.	April.	May.	June.	July.	August.	September.	October.	November.	December.	Number of member banks rediscounting.	Total member banks in State.	Percentage of banks rediscounting.
Arkansas.....	2	2	5	2	5	3	9	7	17	14	10	13	24	67	35.7
Illinois.....	4	3	9	3	6	5	7	7	5	9	17	17	31	158	19.6
Indiana.....						3	4	3	2	4	9	12	15	63	23.8
Kentucky.....					1	3	4	6	8	10	14	17	20	66	30.3
Mississippi.....	2	1	3	3	2	3	3	3	5	5	3	4	8	17	33.3
Missouri.....	5	2	11	12	12	12	14	10	14	17	19	23	38	87	43.6
Tennessee.....	2	3	3	4	4	4	3	4	12	10	6	6	15	20	75.0
Total.....	15	11	31	24	30	33	44	40	61	69	78	92	149	478	31.1

During the year 1916, 114 different member banks rediscounted with this bank. This year 149 different member banks rediscounted, showing an increase of 35 in the number of banks accommodated.

This bank has continued the policy of requiring financial statements made either by the borrowers or by the borrowing bank in every instance where paper has been accepted by us, and this policy is resulting in the standardizing of credit in this district.

#### BILL-OF-LADING DRAFTS.

Since the 1st of February, 1916, this bank has handled bill-of-lading drafts for its members, under conditions set forth in a circular issued January 29, 1916, giving member banks credit on receipt for drafts with bills of lading attached, and charging interest



at the rate prevailing for 30-day commercial paper for the time such drafts have remained unpaid.

Although the member banks have not generally availed themselves of the service offered in this connection, the business for 1917 shows a very substantial increase over that of 1916. Whereas, during 1916 we handled 653 drafts amounting to \$4,261,210.95, and on which we collected \$2,854.96 interest, during the present year, up to and including December 31, 1917, we have handled 1,453 drafts, amounting to \$10,431,334.21 and have collected interest amounting to \$7,492.56. The greater part of this increase occurred in the month of November, during which month we handled 757 drafts amounting to \$5,573,506.04, and collected \$3,371.86 interest.

A large part of this business has consisted of New England cotton paper, and we have had excellent service from the banks in making collections. This is indicated by the fact that the average time outstanding has been only about five days, and this in spite of the fact that a large proportion of the paper was payable at sight in States where three days of grace are allowed on sight drafts.

We feel that those of our members that have availed themselves of the facilities offered have appreciated the service, and we anticipate a still greater increase during the coming year.

#### GRANTS OF FIDUCIARY POWERS.

From the establishment of the Federal Reserve System to the close of 1917 the applications of 29 national banks in this district for permission to act as trustee, executor, etc., under section 11(k) of the Federal Reserve Act have been granted by the Federal Reserve Board. Sixteen of these permits were granted in 1915, six in 1916, and seven in 1917. Of those banks granted fiduciary powers, two are located in Arkansas, five in Illinois, six in Indiana, eight in Kentucky, seven in Missouri, and one in Tennessee. Attached hereto, as Exhibit F, is a list of the national banks in this district which have been granted fiduciary powers up to December 31, 1917.

#### BANK FAILURES WITHIN THE DISTRICT.

No member bank in this district failed during the year 1917.

#### THE LOUISVILLE BRANCH.

On July 3, 1917, the board of directors of the Federal Reserve Bank of St. Louis granted the petition for a branch bank at Louisville, Ky. It elected as directors representing it: Mr. George W. Norton, director of the National Bank of Commerce, Louisville, Ky.; Mr. W. C. Montgomery, vice president First-Hardin National Bank,

Elizabethtown, Ky.; and Mr. W. P. Kincheloe, until the time of his election a national bank examiner, living in Louisville. This last-named gentleman was also appointed manager of the branch. The Federal Reserve Board appointed as directors Mr. F. M. Sackett, president of the Louisville Board of Trade, Louisville, Ky., and Mr. Charles E. Hoge, president of the First State National Bank, Frankfort, Ky.

Quarters were secured on the second floor of the Fidelity & Columbia Trust Co. Building, northwest corner of Main and Fourth Streets, Louisville, and the bank opened for business on Monday, December 3, 1917.

The Louisville branch collection zone covers the following territory: All cities in that part of Kentucky included in the eighth Federal Reserve district and all cities located in the following counties in Indiana, viz: Dubois, Jackson, Clarke, Perry, Lawrence, Washington, Floyd, Orange, Harrison, Jefferson, Crawford, Scott, and Switzerland.

#### MEMPHIS AGENCY.

Last year during the cotton season this bank had an agency in Memphis, Tenn. This gave the local banks the service they desired and proved successful. This year, on October 29, we opened the agency again and operated under the same plan. Notes, trade acceptances, bankers' acceptances, and offerings for rediscount were sent direct by the bank to St. Louis, but warehouse receipts that were up as collateral to the loans were held by our agency. In this way, substitution of cotton receipts was permitted without delay or inconvenience. It is proposed to maintain the Memphis office until the close of the cotton season.

#### THE FEDERAL RESERVE BANK AND THE PUBLIC.

"With this war on us, where would we have been without the Federal Reserve system?" In discussion of the general situation, an expression similar to this is often heard, and it states fairly well what the general public thinks. The man on the street feels that the Federal Reserve system has saved the country financially. It is due to it that business has been able to go on unafraid. The war is on and business is active—in some lines it is at a high level. However, this would not be the situation if it were not for the Federal Reserve system. The general public has thorough confidence in the Federal Reserve system, and banks that are not members are beginning to feel this attitude.

## THE FEDERAL RESERVE BANK AND THE GOVERNMENT.

## GOVERNMENT DEPOSITS.

The amount of Government deposits held by the Federal Reserve Bank of St. Louis during 1917, while averaging slightly more than in 1916, gives little indication of the volume of Government business actually taken care of by this bank. From January to June normal conditions prevailed, the early part of the year showing loss through withdrawals being heavier than deposits until the tax collection period caused a gradual increase. With the commencement of Government loan operations came a gradual increase in balances during June, followed by a decrease caused by heavy withdrawals culminating with a low September balance.

Operations in connection with the second Liberty loan resulted in increased funds, October and November showing the highest figures for the year. This last half of the year's business was abnormal in all respects. Its volume can be expected to continue while war loans are being placed, and doubtless afterwards much will be retained through bond coupon maturities and taxation.

## RELATION TO THE UNITED STATES TREASURY.

Transfers of funds and deposits on account of 5 per cent redemption funds have continued to increase throughout the year.

## THE LIBERTY LOAN.

## THE FIRST LIBERTY LOAN.

The first war bond issue law was approved by the President on April 24, 1917, and when the Secretary of the Treasury advised this bank that the handling of the loan in this district was to be taken care of through it, steps were taken to organize the district. On May 10, Mr. Rolla Wells, governor of the Federal Reserve Bank of St. Louis, appointed as an executive committee the presidents of the 18 clearing-house associations in the district, and also representatives from 5 other cities located in portions of the district where there were no clearing houses. He also appointed a central committee, composed of 9 men living in St. Louis, who were to give all of their time to the placing of the first Liberty loan. Quarters were given the central committee in the Chamber of Commerce of St. Louis, and they occupied desks there.

To each member of the executive committee were assigned the counties contiguous to his clearing-house city or locality, and in this way the whole district was apportioned. Each member of the executive committee in turn acted as chairman of his district and



appointed such a committee from the locality to work with him as he thought wise. There was then figured the proportion of the \$2,000,000,000  $3\frac{1}{2}$  per cent issue which should be taken by district No. 8 in comparison with the whole United States, on three different bases: (1) Banking strength basis, which made the district's proportion amount to \$84,300,000; (2) wealth basis, which made the district's proportion amount to \$58,600,000; (3) population basis, which made the district's proportion amount to \$174,600,000. The banking strength basis was decided on as the minimum amount for subscriptions to be obtained, and the average of the three bases as a target. There was then figured on the same three bases the amount that each county in the district should subscribe of the amount which it seemed fair that district No. 8, as a whole, should take.

Each chairman of a local district was advised as to the amounts arrived at for the counties under his supervision, and it was suggested that the figures giving the banking strength basis, the wealth basis, and the population basis be added and divided by three in order to arrive at the amount for which his different counties should subscribe. Later, we were advised from Washington that it was estimated that our subscription should amount to between \$80,000,000 and \$100,000,000, which was somewhat less than the figures we had already established.

To the first Liberty loan this district subscribed an aggregate of \$86,134,700, and was allotted a total of \$65,469,600, the allotment by States being as follows:

Arkansas	\$4, 202, 750
Illinois	5, 667, 650
Indiana	4, 253, 050
Kentucky	11, 997, 950
Mississippi	875, 000
Missouri:	
St. Louis	\$31, 038, 950
Elsewhere	4, 349, 350
	35, 388, 300
Tennessee	3, 082, 100
Miscellaneous	2, 800
Total	65, 469, 600

#### THE SECOND LIBERTY LOAN.

For the second Liberty loan the district was organized on somewhat different lines. Mr. Rolla Wells, governor of the bank, appointed three committees: A general committee, composed of 38 men representing different towns throughout the district, of which committee Gov. Wells acted as chairman; an executive committee, composed of 20 men residing throughout the district, and an administrative committee of 16 men, all of whom were brokers or bankers of

St. Louis. The administrative committee was in turn divided into subcommittees, such as purchasing supply committee, etc.

The general committee, appointed at the request of the Secretary of the Treasury, served as advisory council. The executive committee, consisting principally of members of the general committee, also served in an advisory capacity.

The administrative committee was responsible for the active conduct of the campaign. Of both this committee and the executive committee Mr. W. R. Compton was chairman and Mr. T. K. Smith, secretary. The members of the administrative committee were volunteers and devoted their entire time to the work.

In order that the entire membership of this last-named committee should be available whenever needed, there was rented for the Liberty loan organization 18 rooms on the tenth and sixteenth floors of the Boatmen's Bank Building, as well as a practical store room on the ground floor. Quarters on the fourteenth floor of the same building were secured for the women's Liberty loan committee.

Those who served on the committees and all others who gave their service are entitled to the highest praise for the abandonment with which they treated their respective businesses and gave their entire energies without compensation to make the Liberty loan a success. Both the men and women who served have the satisfaction of knowing that they have had a most honorable part in the service of their country in this time of its necessity.

Of this \$3,000,000,000 issue, the minimum suggested for district No. 8 was \$120,000,000, with a maximum of \$200,000,000. The eighth district subscribed to the second Liberty loan to the amount of \$184,280,750, which was \$64,000,000 more than the minimum suggested. The district was allotted \$150,169,250.

The following table shows subscriptions and allotments to the second Liberty loan by States:

State	Subscriptions.	Allotments.	Number of subscribers.	Subscriptions through—	
				Member banks.	Non-member banks.
Arkansas.....	\$12, 878, 050	\$12, 473, 650	33, 717	67	422
Illinois.....	22, 119, 150	21, 406, 550	54, 125	154	380
Indiana.....	11, 711, 400	11, 604, 900	26, 880	60	134
Kentucky.....	22, 442, 950	20, 387, 600	54, 483	66	276
Mississippi.....	6, 088, 200	5, 787, 100	11, 119	17	167
Missouri:					
St. Louis.....	74, 464, 600	47, 707, 800	123, 484	15	29
Elsewhere.....	20, 679, 000	20, 551, 600	56, 203	71	979
Tennessee.....	13, 897, 400	10, 250, 050	25, 688	19	114
Total.....	184, 280, 750	150, 169, 250	385, 699	469	2, 501

In the above table, in order to get the number of subscribers and subscriptions sent through member and nonmember banks it was necessary to address an inquiry to the 3,085 banks in this district. At this writing replies have been received from all but 115, and probably when they come in they will show more banks as having taken some part in the Liberty loan.

The above table shows that of the 479 member banks in the district 469 sent in subscriptions, and out of a total of 2,606 nonmember banks 2,501 sent in subscriptions. From the above it is seen that there were 385,699 subscribers to the second Liberty loan in this district.

#### TREASURY CERTIFICATES OF INDEBTEDNESS.

Through Treasury certificates of indebtedness, which could be used in payment of subscriptions for Liberty bonds, the payments were distributed and the liability of disturbance, which might have occurred if payments on account of bonds had had to be made all at once in cash, was avoided.

The following table shows certificates of indebtedness issued through this bank in anticipation of the first Liberty loan sold in this district:

##### *Treasury certificates of indebtedness, first Liberty loan.*

Dated.	Due.	Rate.	Offering.	Subscriptions.	Allotment.	Number of subscribers.
		<i>Per cent.</i>				
Apr. 25.....	June 30	3	\$200,000,000	\$10,400,000	\$10,400,000	142
May 10.....	July 17	3	200,000,000	7,045,000	7,045,000	131
May 25.....	July 30	3½	200,000,000	9,972,000	7,200,000	132
June 8.....	do....	3½	200,000,000	9,308,000	8,100,000	116
Total.....					32,745,000	.....

The certificates of indebtedness issued in anticipation of the second Liberty loan sold in this district were as follows:

##### *Treasury certificates of indebtedness, second Liberty loan.*

Dated.	Due.	Rate.	Offering.	Subscriptions.	Allotment.	Number of subscribers.
		<i>Per cent.</i>				
Aug. 9.....	Nov. 15	3½	\$300,000,000	\$9,599,000	\$7,900,000	116
Aug. 28.....	Nov. 30	3½	250,000,000	5,176,000	4,188,000	85
Sept. 17.....	Dec. 15	3½	300,000,000	4,874,000	4,874,000	63
Sept. 26.....	do....	4	400,000,000	11,000,000	11,000,000	239
Oct. 18.....	Nov. 22	4	300,000,000	12,710,000	12,710,000	208
Oct. 24.....	Dec. 15	4	685,000,000	5,028,000	5,028,000	107
Total.....					45,700,000	.....



The Federal Reserve Bank of St. Louis subscribed for its own account only to four issues of the certificates of indebtedness, and sold all of these before they matured, except \$249,000 of the issue dated September 17, 1917, and maturing December 15, 1917.

Exhibit G shows the distribution of all certificates of indebtedness, classified by amounts, which were allotted through the bank. It also shows the amounts taken by this bank for its own account and amounts it disposed of by sale before maturity. The Federal Reserve Bank of St. Louis did not purchase for its own account any bonds of either the first or second issue of the Liberty loan. At the close of business December 31, 1917, its loans secured by Liberty bonds and certificates of indebtedness were as follows:

Rediscounts maturing in 90 days, secured by Liberty bonds and certificates of indebtedness-----	\$1,418,470.33
Member banks 15-day collateral notes secured by Liberty bonds and certificates of indebtedness-----	7,547,800.00
Total -----	8,966,270.33

UNIVERSITY OF ILLINOIS LIBRARY

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Of the first Liberty loan this district took \$65,469,600, and of the second Liberty loan \$150,169,250, making a total of Liberty bonds to the amount of \$215,638,850. As the year closes, of this amount the Federal Reserve Bank owns none, and on December 31, 1917, held loans to member banks on Liberty loan bonds and certificates of indebtedness as collateral to the extent of only 4 per cent of the total bonds sold in the district.

#### DEPOSITARIES OF GOVERNMENT FUNDS IN CONNECTION WITH SUBSCRIPTIONS FOR LIBERTY BONDS.

Such banks as desired were authorized by the Secretary of the Treasury to make application to him through the Federal Reserve Bank to be named as depositaries of funds arising from subscriptions to both the first and second Liberty loans. The bank passed on all the collateral offered, and there was so much work to be done that it established a department. It had custody of the collateral, performed all duties incident to the deposit and withdrawal of funds, collection of interest, accounting, etc. The largest amount of collateral in its custody at any one time was on November 15, 1917, when it amounted to \$60,100,000.

#### EXPENSE OF FISCAL AGENCY OPERATIONS.

In order to do the work as fiscal agent for the Government it has been necessary to increase our force very materially. There are engaged in the department which is giving its exclusive attention to duties incident to the fiscal agency 66 employees.

The bank has incurred as fiscal agent of the Government expenses amounting to \$191,516.36, for which it has been reimbursed to the extent of \$66,666.89.

#### RELATION TO THE COMPTROLLER'S OFFICE.

During the past year the comptroller's office and this bank have continued to cooperate with each other in every way possible. Copies of reports of examinations of national banks, made under the supervision of the chief examiner of this district, have been promptly filed with the Federal Reserve agent. The chief examiner and his assistants have given such other help as was in their power.

#### THE FEDERAL RESERVE BANK AND NOTE ISSUES.

##### GENERAL POLICY IN THE MATTER OF NOTE ISSUES.

During the past year the Federal Reserve Bank of St. Louis has continued its policy of last year. It has issued Federal Reserve notes freely whenever there was a possibility of conserving gold or reserve money by their use.

##### SUBSTITUTION OF FEDERAL RESERVE NOTES FOR GOLD AS CIRCULATING MEDIUM.

Considerable progress has been made in substituting Federal Reserve notes for gold. At the end of last year it was not uncommon to find gold certificates paid out over the counter to customers of banks. As this year ends there are very few banks, if any, in the large centers or, in fact, throughout the district that pay out gold indiscriminately. Practically all the member banks and many of the nonmembers have deposited their gold with us and taken Federal Reserve notes in exchange. It would seem that to a very great extent the gold of the district has been turned over to the Federal Reserve Bank.

##### COVER OF NOTES ISSUED.

On December 31, 1917, the total amount of Federal Reserve notes of this bank outstanding was \$61,863,430. Of this amount \$32,366,430 were covered by gold deposited with the Federal Reserve agent and \$29,497,000 by eligible paper hypothecated with him. This bank's liability on Federal Reserve notes in actual circulation at the close of the year amounted to \$59,923,030.

##### DENOMINATIONS OF NOTES ISSUED.

Attached hereto, as Exhibit H, is a table showing the amount of each denomination of Federal Reserve notes issued by the Federal Reserve agent to the Federal Reserve Bank of St. Louis each month

from the opening of the bank, November 16, 1914, to December 31, 1917.

An examination of this table will disclose the fact that during this year the greatest demand has been for Federal Reserve notes of the \$10 and \$20 denominations. This was due, no doubt, to the fact that the greater number of gold certificates of these denominations outstanding have been turned in to the Federal Reserve Banks, and Federal Reserve notes of similar denominations were needed by the public. Also, notes of these denominations were used to a great extent by the Government in meeting its Army pay roll. As was the case in both 1915 and 1916, the demand for Federal Reserve notes was heaviest in the months of September, October, and November.

#### INTERDISTRICT MOVEMENT OF NOTES.

During the year 1917 the Federal Reserve Bank of St. Louis received from other Federal Reserve Banks \$3,344,960 of its own Federal Reserve notes and returned to other Federal Reserve Banks \$7,979,770 of their Federal Reserve notes. In other words, this bank returned \$4,634,810 more notes of other banks than it received of its own. As was the case in 1916 the Federal Reserve Banks of Chicago and New York sent to us during 1917 for redemption more of our notes than any other districts, and we returned for redemption more notes of the Kansas City and Dallas Federal Reserve Banks than of any other districts.

Attached hereto, as Exhibit I, is a statement showing the amounts of Federal Reserve notes of this bank received from other Federal Reserve Banks for redemption or credit, and notes of other Federal Reserve Banks returned by this bank to them for redemption or credit, from January 1, 1917, to December 31, 1917.

#### REDEMPTION AND DESTRUCTION OF NOTES.

During 1917 the Treasurer of the United States redeemed out of the redemption fund maintained with him by the Federal Reserve agent, \$5,816,300 of unfit notes of the Federal Reserve Bank of St. Louis. From the opening of the bank to December 31, 1917, \$8,426,570 of unfit notes have been redeemed, being of the following denominations: Fives, \$3,780,950; tens, \$3,167,010; twenties, \$1,436,510; fifties, \$40,500; hundreds, \$1,600. These were turned over to the Comptroller of the Currency and destroyed. Of the unfit Federal Reserve notes redeemed by the United States Treasurer \$5,365,000 were shipped to him by the Federal Reserve Bank of St. Louis, and \$3,061,570 were shipped by other parties.

Out of the redemption fund maintained by the Federal Reserve Bank of St. Louis with the United States Treasurer, he redeemed



\$1,123,600 of fit notes during 1917, making a total of \$1,953,750 from the opening of the bank to the close of 1917. These were returned to the bank and again put into circulation.

#### COST OF FEDERAL RESERVE NOTES.

The total cost to this bank of the Federal Reserve notes issued during 1917 was \$49,363. This is figured on a basis of 1 cent per note, and does not include the cost of shipping Federal Reserve notes to Washington by this bank or other parties for redemption and the return of fit notes to this bank. During the past year it has cost this bank \$1,228.84 for the return of its Federal Reserve notes to the United States Treasurer for redemption.

#### FEDERAL RESERVE BANK NOTES.

The Federal Reserve Bank of St. Louis has not as yet issued any circulating notes secured by United States Government bonds.

#### FEDERAL RESERVE AGENT AND NOTE ISSUES.

During the year shipments of Federal Reserve notes aggregating \$50,560,000 were received by the Federal Reserve agent, the majority being received during September, October, and November, when there was a heavy demand for notes in this district.

Since the first of the year, in addition to the supply of notes kept in the vaults of the Federal Reserve agent, a large supply has been maintained in the subtreasury at St. Louis. This was of considerable assistance in meeting the great demand this year.

Attached hereto as Exhibit J is a statement of Federal Reserve notes received by the Federal Reserve agent from the Comptroller of the Currency each month from the opening of the bank to December 31, 1917. There is also attached as Exhibit K a summarized statement of the receipt and disposition of all Federal Reserve notes by the Federal Reserve agent from the opening of the bank to the end of 1917, as well as of all funds and securities in his possession.

Since the passage of the amendment to section 16 of the Federal Reserve Act on June 21, 1917, all Federal Reserve notes, gold, and gold certificates in the possession of the Federal Reserve Agent have been held jointly with the Federal Reserve Bank of St. Louis.

#### INTERNAL MANAGEMENT OF THE BANK.

The directors of this bank have held meetings on the first and third Wednesdays of each month at 10 o'clock a. m. throughout the year. There has been a total of 23 meetings, at all of which there was a quorum present.

The executive committee, composed of the governor of the bank, chairman of the board, and Messrs. Walker Hill, F. O. Watts, and D. C. Biggs, has met on Monday and Friday of each week throughout the year at 10:30 a. m.

All offerings come first before the officers' committee, composed of all the officers of the bank, which meets daily. Offerings passed by this committee are immediately credited to the offering bank's account. These are in turn reported to the executive committee at its next meeting, and the full minutes of the executive committee are always read at the meeting of the board of directors.

In 1916, Mr. Sam A. Ziegler, of Albion, Ill., was elected by group No. 3 as a class A director to serve for three years from January 1, 1917, to succeed Mr. Oscar Fenley. Mr. W. B. Plunkett, of Little Rock, Ark., was elected by group No. 2 as a class B director to succeed himself, to serve for three years from January 1, 1917.

At the election which took place in December of this year, Mr. Walker Hill, of St. Louis, was elected by group No. 1 as a class A director to succeed himself, to serve for three years from January 1, 1918. Mr. LeRoy Percy, of Greenville, Miss., was elected by group No. 3 as a class B director to succeed himself, to serve for three years from January 1, 1918.

The lists of banks making up groups 1 and 3 were sent out on September 27, 1917, giving approximately one and one-half months in which banks interested could certify their electors and make nominations. However, of 154 banks in group 1, only 88 voted. In group No. 3, of 162 banks, only 42 voted.

On August 2, 1917, Mr. C. P. J. Mooney, of Memphis, Tenn., was appointed by the Federal Reserve Board as a class C director of this bank, to serve for three years from January 1, 1917, to fill the vacancy which had existed from the beginning of the year.

This bank has been represented on the Federal Advisory Council by Mr. F. O. Watts, of St. Louis.

#### CHANGES IN PERSONNEL AND IN THE ORGANIZATION OF THE DEPARTMENTS, INCLUDING THE FEDERAL RESERVE AGENT'S OFFICE.

On January 3, 1917, the same officers who served during 1916 were reelected, and Mr. O. M. Attebery was elected assistant cashier. On April 4, 1917, the board of directors elected Mr. R. R. Clabaugh as assistant cashier, and on July 18, 1917, the board of directors appointed Mr. A. H. Hail, the auditor, as an assistant cashier, and appointed Mr. John A. Will as auditor to succeed Mr. Hail.

At the end of last year, the bank had 53 employees on its pay roll. As this year closes it has 171, of whom 66 are employed exclusively in the Liberty loan department. In order to handle the work in-

cident to acting as fiscal agent for the United States Government it was necessary to organize a distinct department. This bank has grown very rapidly during the year, especially in the latter part.

On August 2, 1917, Mr. C. M. Stewart, who has been with the bank since its organization, was appointed assistant Federal Reserve agent.

#### OFFICE AND VAULT FACILITIES—BANK PREMISES.

At the close of 1916, our office facilities were so ample that we did not expect to be crowded for some years, but as this year closes we are crowded for working space in our bank room and have had to get quarters on the fourth floor of the Federal Reserve Bank Building for the use of our Liberty loan organization.

In order to get the necessary space, we have arranged to take the second and third floors of an adjoining building, which will open into the Federal Reserve Bank Building. This building has but recently been vacated, and our new quarters are being remodeled.

Our vault room has also proven inadequate, and we have been compelled to rent temporarily additional vault space in order to care for interim certificates and Liberty loan conversion 4s. We are now preparing to rearrange our permanent vault in the basement of our building, and believe that when this is done we shall have sufficient vault room.

#### THE CLEARING PROBLEM.

The clearing plan proposed by the Federal Reserve Board which went into effect on July 15, 1916, has continued throughout the year 1917 with very satisfactory results. The volume of business handled and the number of State banks clearing at par for us are constantly increasing. Attached hereto, as Exhibit L, is a table showing the operations of our present clearing system.

#### CLEARING HOUSE CHARGES.

During the year 1917 changes in clearing-house rules regarding exchange charges have been few and of little importance.

#### FEDERAL RESERVE EXCHANGE AND TRANSFER DRAFTS.

On June 1, 1917, we put into effect a plan proposed by the Federal Reserve Board, whereby member banks could, under restrictions and regulations outlined in a circular issued by us, draw upon this bank and the drafts thus drawn be received at par without time deduction by other Federal Reserve Banks.

While this plan made it possible for our member banks to issue exchange on us available at par without time deductions in all reserve



districts, our member banks have not availed themselves of these facilities.

#### SERVICE RENDERED TO THE BANKS BY THE GOLD SETTLEMENT FUND.

The gold settlement fund continues as an ideal settlement medium for exchange operations and as a stabilizer of the exchange market. The great volume of exchange handled during the current year by the Federal Reserve Bank testifies to the success of this feature from the standpoint of member banks.

#### COLLECTION DEPARTMENT.

On August 25, 1917, this bank issued a circular advising that on September 1 it would establish a department for the handling of maturing notes and bills, coupons, and other straight collection items. Although the member banks have not generally taken advantage of the opportunity to handle items of the prescribed nature through this bank, the business has been increasing slowly, as shown by the fact that during the month of September we handled 200 collection items, amounting to \$548,214.40, against 400 items in October, amounting to \$932,294.67, 456 items in November, amounting to \$1,329,726.17, and 473 items in December, amounting to \$1,479,765.58. The greater part of this business has consisted of checks of large amounts drawn on banks outside of this district, which, for one reason or another, the indorsing banks have preferred to handle as collection items rather than as cash items.

All items handled through this department are sent to banks in the cities where they are payable and the collecting banks are requested, if they find it inconvenient to remit in St. Louis exchange, to remit to the Federal Reserve Bank of their district for our account. The service we have obtained from other banks has been good, and returns have been made promptly.

#### SUMMARY ON CONDITIONS IN DISTRICT NO. 8.

Reviewing the year 1917, the conclusion must be reached that in spite of the war, it has been a prosperous one for district No. 8. The agricultural sections have all received high prices for their products, and in the majority of lines, manufacturers, wholesalers, and jobbers are doing an active business. There is confidence in the future. The war is making itself felt more and more in the manner of living, and the necessary conditions are being met by the people, not grudgingly, but in a spirit of cheerfulness. There is a shortage in sugar, a shortage in coal, and transportation facilities are rather chaotic.

The Federal Reserve Bank of St. Louis has met adequately all demands made upon it. It has created confidence, stabilized busi-

ness, and has done its share in the flotation of the two Liberty loans without undue disturbance to the general situation.

EXHIBIT A.—*Condensed comparative statement of current earnings and expenses of Federal Reserve Bank of St. Louis each month during 1916 and 1917.*

	January.	February.	March.	April.	May.	June.
1916.						
Earnings.....	\$9,168.57	\$11,132.34	\$13,847.85	\$14,202.08	\$17,118.22	\$19,076.24
Expenses.....	\$15,990.14	\$15,637.94	\$15,559.45	\$16,018.68	\$15,929.75	\$15,283.13
Loss.....	\$6,821.57	\$4,505.60	\$1,711.60	\$1,816.60		
Gain.....					\$188.47	\$3,793.11
Per cent expense to earnings...	174.40	155.80	112.36	112.79	93.06	80.12
1917.						
Earnings.....	\$31,399.97	\$31,283.50	\$33,052.05	\$35,945.97	\$43,806.20	\$47,166.86
Expenses.....	\$12,428.15	\$12,183.17	\$11,377.53	\$11,677.40	\$15,227.79	\$14,494.87
Loss.....						
Gain.....	\$18,971.82	\$19,100.33	\$21,674.52	\$24,268.57	\$28,578.41	\$32,671.99
Per cent expense to earnings...	39.58	39.00	34.42	32.48	34.77	30.73
	July.	August.	September.	October.	November.	December.
1916.						
Earnings.....	\$24,960.14	\$26,705.63	\$28,781.67	\$33,071.33	\$32,098.37	\$38,122.95
Expenses.....	\$16,323.98	\$14,598.80	\$14,283.68	\$19,702.08	\$18,249.10	\$14,921.77
Loss.....						
Gain.....	\$8,636.12	\$12,106.83	\$14,497.99	\$13,369.25	\$13,829.27	\$23,191.18
Per cent expense to earnings...	65.40	54.64	49.63	59.57	56.85	37.35
1917.						
Earnings.....	\$53,280.88	\$55,826.44	\$66,899.76	\$91,292.85	\$96,823.68	\$151,935.02
Expenses.....	\$16,194.15	\$15,960.52	\$19,882.94	\$33,689.96	\$34,034.48	\$39,392.94
Loss.....						
Gain.....	\$37,086.73	\$39,866.12	\$47,016.82	\$57,602.89	\$62,789.20	\$112,542.08
Per cent expense to earnings...	30.39	28.60	29.72	36.90	35.16	25.93

Including amortization of organization expense.

EXHIBIT B.—*Comparative statement of condition, 1916-17.*

	Dec. 31, 1916.	Dec. 31, 1917.
RESOURCES.		
Bills discounted, members.....	\$1,300,711.54	\$28,584,397.60
Bills discounted, other Federal Reserve Banks.....		4,875,838.00
Bills bought in open market.....	7,036,819.35	7,362,724.15
Investments-municipal warrants.....	575,879.71	
Bills of lading drafts.....	71,067.46	566,536.89
United States bonds.....	2,202,900.00	2,233,400.00
United States gold notes.....	891,000.00	1,444,000.00
Total earning assets.....	12,078,378.06	45,066,896.64
Premium on United States bonds.....	17,303.15	6,353.15
Interest accrued on United States bonds.....	19,161.17	24,850.94
Furniture and equipment.....	28,688.75	44,498.74
Cost of unissued Federal Reserve notes.....	19,763.00	16,166.61
Expenses paid in advance.....	849.30	1,626.51
Due from member banks, overdrafts.....	15,595.22	
Expenses due as fiscal agent from United States Treasury.....		124,849.47
Total.....	101,360.59	218,345.42
Due from Federal Reserve Banks.....	20,389,339.94	36,678,287.04
Due from Louisville branch.....		261,950.52
Deferred debits, transit account.....	3,065,478.15	13,715,178.67
Exchange for clearing house.....	15,221.21	514,252.43
Total deductions from gross deposits.....	23,470,039.30	51,169,668.66

## EXHIBIT B.—Comparative statement of condition, 1916-17—Continued.

	Dec. 31, 1916.	Dec. 31, 1917.
Gold coin and gold certificates.....	\$11,088,000.00	\$5,080,137.50
Gold settlement fund.....	3,395,000.00	17,884,000.00
Gold redemption fund, United States Treasurer.....	254,850.00	921,400.00
Gold deposited with Federal Reserve agent.....	12,542,730.00	32,366,430.00
Sterling gold account.....		2,110,000.00
Other lawful money.....	1,449,273.00	766,626.50
<b>Total reserve cash.....</b>	<b>28,729,853.00</b>	<b>59,130,024.00</b>
National-bank notes and Federal Reserve notes, other banks.....	806,435.00	2,047,705.00
Federal Reserve notes on hand.....	431,445.00	1,980,400.00
Nickels and cents.....	321.08	787.24
<b>Total other cash.....</b>	<b>1,238,201.08</b>	<b>4,028,892.24</b>
<b>Total resources.....</b>	<b>65,617,832.03</b>	<b>159,619,896.96</b>
<b>LIABILITIES.</b>		
Capital paid in.....	2,799,750.00	3,474,600.00
Undivided profits.....	12,748.15	230,338.58
Unearned discount and interest.....	26,791.25	133,422.20
Reserved for sundry expenses.....	1,604.14	853.65
United States Government deposits.....	2,614,398.56	5,430,359.99
Due to Federal Reserve Banks.....	12,332,388.18	30,445,011.49
Due to member banks.....	30,924,950.84	45,796,967.60
Due to nonmember banks—clearing account.....		93,412.34
Deferred credits—transit account.....		11,954,257.21
Dividend and expense checks.....	15,430.91	197,223.90
<b>Gross deposits.....</b>	<b>45,887,208.49</b>	<b>93,917,252.53</b>
Federal Reserve notes issued.....	16,889,730.00	61,863,430.00
<b>Total liabilities.....</b>	<b>65,617,832.03</b>	<b>159,619,896.96</b>
<b>Total reserve against net deposit and Federal Reserve note liabilities.....per cent..</b>	<b>60.8</b>	<b>59.8</b>

## EXHIBIT C.—Comparative profit-and-loss statement, 1916 and 1917.

	Jan. 1 to Dec. 31, 1916.	Jan. 1 to Dec. 31, 1917.
<b>Earnings from:</b>		
Bills discounted, members.....	\$46,041.34	\$347,871.10
Bills discounted, Federal Reserve banks.....		10,367.40
Bills purchased, acceptances.....	81,598.79	170,233.26
United States securities.....	70,362.41	110,300.98
Municipal warrants.....	31,618.94	13,691.40
Exchange.....	30,000.00	57,919.95
Bill of lading drafts.....	2,782.73	7,492.56
Appreciation on United States bonds.....	17,873.14	
Depleted reserve penalties.....	2,036.01	14,968.34
Profit on United States securities sold.....	3,776.50	
Sundry profits.....	68.67	1,203.26
Transit department income (net).....	11,790.08	4,665.13
<b>Total.....</b>	<b>297,948.61</b>	<b>738,713.38</b>
<b>Expenses:</b>		
Current expenses.....	136,461.44	174,461.12
Federal Reserve Board assessments.....	9,749.62	12,733.22
Cost of Federal Reserve currency issued.....	10,720.00	49,363.00
<b>Total.....</b>	<b>156,931.06</b>	<b>236,557.34</b>
<b>Profit on operation.....</b>	<b>141,017.55</b>	<b>502,156.04</b>
1914-15 organization expense amortization.....	97,169.29	
<b>Surplus available for dividends.....</b>	<b>43,848.26</b>	<b>502,156.04</b>
Dividend paid.....	31,100.11	284,565.61
<b>Undivided profits for year.....</b>	<b>12,748.15</b>	<b>217,590.43</b>
<b>Undivided profits for previous years.....</b>	<b></b>	<b>12,748.15</b>
<b>Total undivided profits.....</b>	<b>12,748.15</b>	<b>230,338.58</b>



EXHIBIT D.—Table showing volume of rediscounts accepted by the Federal Reserve Bank of St. Louis from each State each month, the total amount accepted from each State during the year 1917, and the number of different banks in each State rediscounting each month.

	Arkansas.		Illinois.		Indiana.		Kentucky.	
	Banks.	Amount.	Banks.	Amount.	Banks.	Amount.	Banks.	Amount.
January.....	2	\$310,035.00	4	\$30,129.09	.....	.....	.....	.....
February.....	2	186,107.79	3	10,381.25	.....	.....	.....	.....
March.....	5	457,318.74	9	12,213.63	.....	.....	.....	.....
April.....	2	6,200.00	3	24,119.80	.....	.....	.....	.....
May.....	5	105,158.00	6	140,975.53	.....	.....	1	\$22,060.00
June.....	3	66,968.59	5	102,886.96	3	\$149,751.91	3	310,000.00
July.....	9	172,878.14	7	152,976.81	4	875,317.44	4	892,547.64
August.....	7	174,308.34	7	87,673.52	3	396,742.80	6	1,358,546.06
September.....	17	1,071,883.49	5	97,708.98	2	583,968.24	6	824,001.00
October.....	14	2,433,682.91	9	168,779.95	4	570,905.74	10	1,286,484.93
November.....	10	2,636,896.19	17	1,498,252.50	9	1,361,571.49	14	2,661,832.43
December.....	13	2,433,568.76	17	944,043.06	12	2,933,769.50	17	3,315,341.22
Total.....	.....	10,055,005.95	.....	3,270,141.08	.....	6,872,027.12	.....	10,670,813.28

	Mississippi.		Missouri.		Tennessee.		Total.	
	Banks.	Amount.	Banks.	Amount.	Banks.	Amount.	Banks.	Amount.
January.....	2	\$19,200.00	5	\$70,364.76	2	\$176,000.00	.....	\$605,728.85
February.....	1	40,000.00	2	16,568.70	3	315,771.97	.....	568,829.71
March.....	3	7,900.00	11	1,214,084.95	3	146,000.00	.....	1,837,517.32
April.....	3	35,900.00	12	3,573,520.62	4	293,614.76	.....	3,933,355.18
May.....	2	29,440.00	12	5,435,121.18	4	216,317.09	.....	5,949,071.80
June.....	3	45,936.12	12	3,694,994.15	4	172,264.85	.....	4,542,802.58
July.....	3	41,203.33	14	13,018,802.07	3	227,680.98	.....	15,381,406.41
August.....	3	28,579.25	10	12,820,944.08	4	228,550.05	.....	15,104,344.10
September.....	5	52,496.66	14	21,094,052.82	12	1,302,336.67	.....	25,026,447.86
October.....	5	124,389.33	17	19,052,640.00	10	2,234,864.45	.....	25,871,747.31
November.....	3	42,655.67	19	19,667,886.22	6	4,444,600.59	.....	32,313,695.09
December.....	4	140,608.29	23	35,406,103.35	6	4,809,270.75	.....	49,982,704.93
Total.....	.....	608,308.65	.....	135,074,082.90	.....	14,567,272.16	.....	181,117,651.14

EXHIBIT E.—Table showing the rediscount operations of the Federal Reserve Bank of St. Louis, each month during 1917, classified by maturities and classes of paper.

## NOTES.

	15 days and less.	16 to 30 days.	31 to 60 days.	61 to 90 days.	91 days to 6 months.	Total.
January.....	\$31,500.00	\$73,000.00	\$19,616.00	\$67,247.65	\$27,434.21	\$218,797.86
February.....	5,000.00	81,107.45	83,731.25	10,811.25	800.00	181,449.95
March.....	.....	6,796.76	42,725.85	69,764.97	26,992.00	137,241.58
April.....	1,331,971.84	697,668.81	170,024.60	266,050.71	41,713.75	2,507,429.71
May.....	706,848.21	654,328.94	1,218,957.47	1,381,746.59	37,742.27	3,999,623.48
June.....	196,900.00	329,288.84	438,511.60	1,069,264.91	37,491.69	2,071,457.04
July.....	903,246.92	531,962.81	1,678,545.59	912,945.60	28,916.92	4,055,617.84
August.....	2,398,047.59	793,245.57	1,026,823.45	957,761.80	81,657.03	5,257,535.44
September.....	3,277,591.00	2,677,987.05	2,889,446.33	2,242,773.78	9,012.31	11,096,810.47
October.....	1,131,991.17	3,374,659.69	1,667,208.16	1,986,124.44	43,193.96	8,203,177.42
November.....	1,571,279.84	1,259,526.83	2,754,881.56	1,815,974.09	29,990.00	7,431,652.32
December.....	11,426,730.75	3,793,103.68	4,687,060.31	3,871,968.49	43,492.88	23,822,356.11
Total.....	22,981,107.32	14,272,638.43	16,677,532.17	14,643,434.28	408,437.02	68,983,149.22

**EXHIBIT E.—Table showing the rediscount operations of the Federal Reserve Bank of St. Louis, each month during 1917, classified by maturities and classes of paper—Continued.**

## TRADE ACCEPTANCES.

	15 days and less.	16 to 30 days.	31 to 60 days.	61 to 90 days.	Total.
January.....			\$11,930.99		\$11,930.99
February.....	\$14,908.03	\$6,209.47	1,262.26		22,379.76
March.....	566.36	1,302.23	28,407.15		30,275.74
April.....	3,167.29	26,354.73	18,524.45		48,046.47
May.....	17,097.01	37,568.44	204,023.66	\$154,859.21	414,448.32
June.....	12,725.80	157,128.49	184,337.98	2,153.27	356,345.54
July.....	7,370.21	71,602.41	49,902.22	7,913.73	136,788.57
August.....	3,643.55	30,371.24	28,458.84	4,335.03	66,808.66
September.....	14,671.40	11,780.12	29,503.56	37,182.31	93,137.39
October.....	1,501.32	111,736.12	54,374.98	132,368.84	299,981.26
November.....	39,405.70	130,884.05	256,901.84	224,562.57	651,754.16
December.....	110,802.75	133,986.78	571,390.19	166,429.10	982,608.82
Total.....	225,859.42	718,924.08	1,439,918.12	729,804.06	3,114,505.68

## COMMODITY PAPER.

	16 to 30 days.	31 to 60 days.	61 to 90 days.	Total.
May.....			\$15,000.00	\$15,000.00
July.....	\$11,500.00	\$2,500.00	5,000.00	19,000.00
October.....		15,000.00	67,588.63	82,588.63
November.....	33,154.78	78,666.85	198,866.98	310,688.61
Total.....	44,654.78	96,166.85	286,455.61	427,277.24

## COLLATERAL NOTES.

	15 days and less.		15 days and less.
January.....	\$375,000.00	August.....	\$9,780,000.00
February.....	365,000.00	September.....	13,836,500.00
March.....	1,670,000.00	October.....	17,286,000.00
April.....	1,377,879.00	November.....	23,919,600.00
May.....	1,520,000.00	December.....	25,177,740.00
June.....	2,115,000.00		
July.....	11,170,000.00	Total.....	108,592,719.00

**EXHIBIT F.—National banks which have been granted fiduciary powers, under section 11 (k) of the Federal Reserve Act, up to Dec. 31, 1917.**

Trustee, executor, administrator, and registrar of stocks and bonds:

First National Bank, Fordyce, Ark.

Lee County National Bank, Marianna, Ark.

First National Bank, Anna, Ill.

Ayers National Bank, Jacksonville, Ill.

City National Bank, Metropolis, Ill.

First National Bank, Pittsfield, Ill.

City National Bank, Evansville, Ind.

Old State National Bank, Evansville, Ind.

First National Bank, Mitchell, Ind.

First National Bank, Mount Vernon, Ind.

Citizens National Bank, Tell City, Ind.

First-Hardin National Bank, Elizabethtown, Ky.

Farmers National Bank, Glasgow, Ky.

Henderson National Bank, Henderson, Ky.

Trustee, executor, administrator, and registrar of stocks and bonds—Continued.

First National Bank, Hopkinsville, Ky.

Citizens National Bank, Lebanon, Ky.

Marion National Bank, Lebanon, Ky.

Boone County National Bank, Columbia, Mo.

Exchange National Bank, Columbia, Mo.

Citizens National Bank, Sedalia, Mo.

Union National Bank, Springfield, Mo.

Merchants-Laclede National Bank, St. Louis, Mo.

National Bank of Commerce, St. Louis, Mo.

Central-State National Bank, Memphis, Tenn.

Trustee, executor, administrator, and registrar of bonds:

Morganfield National Bank, Morganfield, Ky.

Trustee, executor, and administrator:

Nokomis National Bank, Nokomis, Ill.

Bedford National Bank, Bedford, Ind.

First National Bank, Versailles, Mo.

Trustee and registrar of bonds:

American National Bank, Bowling Green, Ky.

EXHIBIT G.—*Treasury certificates of indebtedness allotted to subscribers through the Federal Reserve Bank of St. Louis, Mo.*

Issue.	Offering.	Date.	Matur- ity.	\$25,000 or less.		Over \$25,000 to \$50,000.		Over \$50,000 to \$100,000.	
				Num- ber.	Amount.	Num- ber.	Amount.	Num- ber.	Amount.
		1917.	1917.						
1.....	\$200,000,000	Apr. 25	June 30	77	\$1,045,000	22	\$1,015,000	17	\$1,755,000
2.....	200,000,000	May 10	July 17	87	982,000	20	904,000	12	1,102,000
3.....	200,000,000	May 25	July 30	97	851,000	8	254,000	12	773,000
4.....	200,000,000	June 8	do.	87	938,000	6	236,000	9	659,000
5.....	300,000,000	Aug. 9	Nov. 15	80	940,000	11	430,000	9	640,000
6.....	250,000,000	Aug. 28	Nov. 30	58	652,000	8	320,000	8	600,000
7.....	300,000,000	Sept. 17	Dec. 15	38	414,000	9	390,000	5	480,000
8.....	400,000,000	Sept. 26	do.	194	2,054,000	19	820,000	9	840,000
9.....	300,000,000	Oct. 18	Nov. 22	152	1,647,000	24	1,030,000	11	895,000
10.....	685,000,000	Oct. 24	Dec. 15	80	903,000	13	578,000	7	635,000
11.....	690,000,000	Nov. 30	June 25	51	598,000	9	450,000	3	275,000
Total....	3,725,000,000			1,001	11,024,000	149	6,457,000	102	8,654,000

Issue.	Over \$100,000 to \$250,000.		Over \$250,000 to \$500,000.		Over \$500,000 to \$1,000,000.		Over \$1,000,000.		Total.	
	Num- ber.	Amount.	Num- ber.	Amount.	Num- ber.	Amount.	Num- ber.	Amount.	Num- ber.	Amount.
1.....	12	\$1,730,000	6	\$2,450,000	2	\$1,385,000	1	\$1,020,000	137	\$10,400,000
2.....	7	1,183,000	6	2,213,000	1	661,000			133	7,045,000
3.....	7	931,000	2	615,000	6	3,776,000			132	7,200,000
4.....	8	1,427,000	3	1,130,000	1	690,000	2	3,020,000	116	8,100,000
5.....	8	1,340,000	6	2,593,000	1	615,000	1	1,435,000	116	7,900,000
6.....	6	1,065,000	4	1,551,000					84	4,188,000
7.....	7	1,496,000	4	1,494,000	1	609,000			64	4,874,000
8.....	5	916,000	6	2,885,000	3	2,451,000	1	1,035,000	237	11,000,000
9.....	7	1,553,000	7	2,555,000	6	5,093,000			209	12,710,000
10.....	5	900,000	1	412,000	2	1,600,000			108	5,028,000
11.....	1	200,000	1	310,000	2	2,000,000			67	3,833,000
Total....	75	12,740,000	46	18,115,000	25	18,778,000	5	6,510,000	1,403	82,278,000



**EXHIBIT G.—Treasury certificates of indebtedness allotted to subscribers through the Federal Reserve Bank of St. Louis, Mo.—Continued.**

Issue.	Amount taken by Federal Reserve Bank of St. Louis for its own account.	Amount disposed of by sale.	Amount held at maturity.
1.....	\$860,000	\$860,000	None.
2.....	None.	None.	None.
3.....	None.	None.	None.
4.....	None.	None.	None.
5.....	27,000	27,000	None.
6.....	None.	None.	None.
7.....	369,000	120,000	\$249,000
8.....	701,000	701,000	None.
9.....	None.	None.	None.
10.....	None.	None.	None.
11.....	None.	None.	None.
Total.....			

**EXHIBIT H.—Table showing the denominations and amounts of Federal Reserve notes issued by Federal Reserve agent to the Federal Reserve Bank of St. Louis each month from opening of the bank on Nov. 16, 1914, to Dec. 31, 1917.**

Month.	Fives.	Tens.	Twenties.	Fifties.	Hundreds.	Total.
December, 1914.....	\$410,000	\$210,000	\$80,000			\$700,000
August, 1915.....	307,000					307,000
September, 1915.....	1,500,000	660,940	328,560			2,489,500
October, 1915.....	780,000	840,000	720,000	\$200,000		2,540,000
November, 1915.....	740,000	760,000	640,000			2,140,000
December, 1915.....	460,000	400,000	160,000			1,020,000
Totals for 1914-15.....	4,197,000	2,870,940	1,928,560	200,000		9,196,500
May, 1916.....	110,000	40,000				150,000
September, 1916.....	964,350	1,392,000	1,208,600			3,560,000
October, 1916.....	941,600	1,960,000	1,600,000	50		4,501,600
November, 1916.....	820,000	1,320,000	960,000			3,100,000
December, 1916.....	60,000	440,000				500,000
Total for 1916.....	2,895,950	5,152,000	3,763,600	50		11,811,600
March, 1917.....			160,000	200,000		360,000
April, 1917.....	200,000	470,000	640,000	100,000	\$100,000	1,510,000
May, 1917.....	650,000	1,290,000	1,840,000	800,000	1,000,000	5,580,000
June, 1917.....		440,000	560,000	100,000	100,000	1,200,000
July, 1917.....		1,120,000	1,280,000	100,000	100,000	2,600,000
August, 1917.....	300,000	1,600,000	880,000	300,000	350,000	3,430,000
September, 1917.....	1,810,000	2,130,000	1,440,000	200,000		5,580,000
October, 1917.....	4,000,000	6,680,000	4,560,000	260,000		15,500,000
November, 1917.....	3,620,000	5,920,000	4,960,000	600,000	900,000	16,000,000
December, 1917.....	960,000	1,000,000	1,440,000	100,000		3,500,000
Total for 1917.....	11,540,000	20,650,000	17,760,000	2,760,000	2,550,000	55,260,000
Total since opening of bank to Dec. 31, 1917.....	18,632,950	28,672,940	23,452,160	2,960,050	2,550,000	76,268,100

## EXHIBIT I.—Federal Reserve notes received and returned.

(Amounts of Federal Reserve notes of the several denominations received from other Federal Reserve Banks for redemption or credit and returned to other Federal Reserve Banks for redemption or credit by the Federal Reserve Bank of St. Louis during 1917.)

Exchanged with Federal Reserve Bank of—	Fives.		Tens.		Twenties.	
	Received.	Returned.	Received.	Returned.	Received.	Returned.
Boston.....	\$13,790	\$14,000	\$44,550	\$30,000	\$36,160	\$4,600
New York.....	136,500	238,000	273,000	355,000	212,800	220,000
Philadelphia.....	13,500	17,500	44,500	36,700	46,500	34,000
Cleveland.....	13,380	29,905	18,850	60,000	18,140	86,000
Richmond.....	6,150	28,100	14,000	41,400	13,000	44,380
Atlanta.....	107,250	227,725	180,750	294,720	125,500	281,040
Chicago.....	371,500	108,500	454,000	237,500	280,000	557,500
St. Louis.....						
Minneapolis.....	19,980	100,000	20,940	119,000	12,580	102,000
Kansas City.....	89,250	1,102,700	88,100	687,180	32,200	472,120
Dallas.....	70,170	506,500	153,540	649,000	143,360	464,000
San Francisco.....	9,280	38,000	22,300	26,000	23,240	66,000
Total.....	850,750	2,410,930	1,314,530	2,536,500	943,480	2,331,640

Exchanged with Federal Reserve Bank of—	Fifties.		Hundreds.		Total.	
	Received.	Returned.	Received.	Returned.	Received.	Returned.
Boston.....	\$3,800	\$2,350	\$1,400	\$2,500	\$99,700	\$53,450
New York.....	26,400	30,500	15,800	35,200	664,500	878,700
Philadelphia.....	7,500	1,600	1,000	800	113,000	90,600
Cleveland.....	61,350	20,000	64,800	30,800	176,520	226,705
Richmond.....	1,000	6,600	100	1,600	34,250	122,080
Atlanta.....	9,550	7,950	1,400	9,200	424,450	820,635
Chicago.....	27,000	102,550	2,500	44,300	1,135,000	1,050,350
St. Louis.....						
Minneapolis.....	900	3,400	100	3,900	54,500	328,300
Kansas City.....	1,500	21,400	100	15,100	211,150	2,298,500
Dallas.....	5,550	18,800	1,100	323,200	373,720	1,961,500
San Francisco.....	2,650	9,250	700	9,700	58,170	148,950
Total.....	147,200	224,400	89,000	476,300	3,344,960	7,979,770

## EXHIBIT J.—Table showing Federal Reserve notes received by the Federal Reserve agent from the Comptroller of the Currency each month from opening of the bank on Nov. 16, 1914, to Dec. 31, 1917.

Month.	Fives.	Tens.	Twenties.	Fifties.	Hundreds.	Total.
November, 1914.....	\$2,160,000	\$840,000	\$400,000	.....	.....	\$3,400,000
October, 1915.....	1,000,000	1,000,000	800,000	\$400,000	.....	3,200,000
November, 1915.....	1,200,000	1,000,000	800,000	.....	.....	3,000,000
Total for 1914-15.....	4,360,000	2,840,000	2,000,000	400,000	.....	9,600,000
September, 1916.....	520,000	1,520,000	960,000	.....	.....	3,000,000
October, 1916.....	800,000	3,000,000	2,160,000	.....	.....	5,960,000
November, 1916.....	1,900,000	1,680,000	400,000	.....	.....	3,980,000
Total for 1916.....	3,220,000	6,200,000	3,520,000	.....	.....	12,940,000
March, 1917.....	.....	.....	800,000	.....	.....	800,000
April, 1917.....	.....	.....	800,000	400,000	\$400,000	1,600,000
May, 1917.....	.....	.....	800,000	.....	.....	800,000
June, 1917.....	.....	800,000	800,000	.....	.....	1,600,000
July, 1917.....	.....	1,400,000	1,760,000	200,000	400,000	3,760,000
August, 1917.....	.....	1,000,000	400,000	800,000	400,000	2,600,000
September, 1917.....	600,000	2,360,000	2,240,000	.....	.....	5,200,000
October, 1917.....	5,100,000	7,960,000	3,680,000	200,000	.....	16,940,000
November, 1917.....	3,300,000	4,360,000	4,400,000	1,000,000	800,000	13,860,000
December, 1917.....	.....	600,000	2,400,000	.....	400,000	3,400,000
Total for 1917.....	9,000,000	18,480,000	18,080,000	2,600,000	2,400,000	50,560,000
Total since opening of bank to Dec. 31, 1917.....	16,580,000	27,520,000	23,600,000	3,000,000	2,400,000	73,100,000

**EXHIBIT K.—Statement of receipts and disposition of Federal Reserve notes by Federal Reserve agent from opening of the bank on Nov. 16, 1914, and of funds and securities in his possession on Dec. 31, 1917.**

Federal Reserve notes received from Comptroller of Currency	\$73, 100, 000. 00
Notes issued to Federal Reserve Bank	\$70, 268, 100. 00
Notes returned by Federal Reserve Bank to Federal Reserve agent	\$5, 966, 500. 00
Fit notes returned by United States Treasurer to Federal Reserve agent	11, 600. 00
Unfit notes received by Comptroller from United States Treasurer for destruction	8, 426, 570. 00
	14, 404, 670. 00
Federal Reserve notes outstanding	61, 863, 430. 00
Federal Reserve notes in hands of Federal Reserve agent	2, 810, 000. 00
Gold for retirement of Federal Reserve notes:	
In hands of Federal Reserve agent	\$2, 512, 600. 00
In gold redemption fund	2, 448, 830. 00
In Federal Reserve agents' fund	27, 405, 000. 00
	32, 366, 430. 00
Paper pledged to secure Federal Reserve notes	29, 908, 847. 41

**EXHIBIT L.—Table showing the clearing operations of the Federal Reserve Bank of St. Louis from Dec. 16, 1916, to Dec. 15, 1917.**

	Daily average.					
	Items drawn on banks in Federal Reserve city.		Items drawn on banks in district outside Federal Reserve city.		Items drawn on banks in other districts.	
	Number.	Amount.	Number.	Amount.	Number.	Amount.
Dec. 15 to Jan. 15.....	1,302	\$4,013,486	8,106	\$1,868,171	292	\$2,292,931
Jan. 16 to Feb. 15.....	1,205	3,210,834	7,314	1,922,108	183	1,277,500
Feb. 16 to Mar. 15.....	1,535	4,532,849	8,494	1,569,074	178	1,784,418
Mar. 16 to Apr. 15.....	1,486	4,281,367	8,524	1,656,781	175	1,545,007
Apr. 16 to May 15.....	1,673	5,008,976	8,495	1,727,335	169	1,977,438
May 16 to June 15.....	1,717	4,688,585	8,401	1,651,660	192	1,710,385
June 16 to July 15.....	1,803	5,190,645	8,448	1,623,948	214	3,281,751
July 16 to Aug. 15.....	1,636	4,820,182	8,069	1,641,198	220	2,314,050
Aug. 16 to Sept. 15.....	1,663	5,167,644	9,402	1,875,497	200	2,038,723
Sept. 16 to Oct. 15.....	1,689	5,593,479	9,612	2,126,025	165	2,036,901
Oct. 16 to Nov. 15.....	2,167	11,556,021	10,979	3,009,231	228	2,390,894
Nov. 16 to Dec. 15.....	2,557	9,219,408	12,564	3,176,069	204	2,057,178

	Daily average.				Member banks in district.	Non-member banks on par list.
	Total (exclusive of items drawn on Treasurer of United States).		Items drawn on Treasurer of the United States.			
	Number.	Amount.	Number.	Amount.	Number.	Number.
Dec. 15 to Jan. 15.....	9,700	\$8,174,589	70	\$13,957	468	883
Jan. 16 to Feb. 15.....	8,702	6,410,442	1,628	143,536	468	872
Feb. 16 to Mar. 15.....	10,207	7,886,341	1,184	154,115	467	867
Mar. 16 to Apr. 15.....	10,185	7,483,155	1,169	171,329	468	851
Apr. 16 to May 15.....	10,337	8,713,749	2,242	318,699	469	863
May 16 to June 15.....	10,310	8,050,630	1,165	207,334	471	958
June 16 to July 15.....	10,465	10,096,344	1,337	627,955	471	961
July 16 to Aug. 15.....	9,925	8,775,430	2,218	422,022	471	968
Aug. 16 to Sept. 15.....	11,265	9,081,864	2,705	573,861	473	1,003
Sept. 16 to Oct. 15.....	11,466	9,756,405	1,859	719,081	473	1,004
Oct. 16 to Nov. 15.....	13,374	16,955,146	2,933	884,942	477	1,005
Nov. 16 to Dec. 15.....	15,325	14,452,655	4,490	1,468,199	479	997



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**FOURTH ANNUAL REPORT**  
**OF THE**  
**FEDERAL RESERVE BANK**  
**OF ST. LOUIS**

**FOR THE YEAR ENDED DECEMBER 31, 1918**

UNIVERSITY OF ILLINOIS LIBRARY

SEP 1 1921



WASHINGTON  
GOVERNMENT PRINTING OFFICE  
1919

**LETTER OF TRANSMITTAL.**

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FEDERAL RESERVE BANK,  
*St. Louis, Mo., January 15, 1919.*

SIR: I have the honor to transmit herewith the fourth annual report of the Federal Reserve Bank of St. Louis, covering the year ended December 31, 1918.

Respectfully,

WM. McC. MARTIN,  
*Chairman and Federal Reserve Agent.*

HON. W. P. G. HARDING,  
*Governor, Federal Reserve Board,*  
*Washington, D. C.*



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## FOURTH ANNUAL REPORT OF THE FEDERAL RESERVE BANK OF ST. LOUIS.

### FINANCIAL RESULTS OF OPERATION.

The gross earnings of the Federal Reserve Bank of St. Louis for the year 1918 amounted to \$2,676,828.35, and the current expenses were \$726,021.11, including the charging off of all furniture and fixtures amounting to \$102,030.55. This left net earnings of \$1,950,807.24, which was an increase of \$1,448,651.20 over the net earnings for 1917. Out of the net earnings the bank paid dividends for the years 1917 and 1918, amounting to \$404,837.60; set aside a reserve of \$172,997 for depreciation in United States securities, and also a reserve of \$801,655.61 for the franchise tax. The balance of \$571,317.03 was transferred to surplus, together with the balance of \$230,338.58 of undivided profits at the close of 1917, making \$801,655.61 in that account on December 31, 1918.

The principal source of revenue during 1918 was bills discounted for member banks. Of the \$2,676.828.35 of gross earnings, \$2,197,795.40 was derived from this source. During 1917 the earnings from bills discounted amounted to only \$347,871.10. The percentage of earnings derived from each source during 1917 and 1918 is as follows:

	1917	1918
	<i>Per cent.</i>	<i>Per cent.</i>
Bills discounted for other Federal Reserve Banks.....	1	1
Bills discounted and loans to member banks.....	47	82
Acceptances.....	23	9
Municipal warrants.....	2	
Interest on United States securities.....	15	3
Transfers bought.....	8	2
Sundry.....	4	3
Total.....	100	100

Attached hereto as Schedule 1 is a comparative profit and loss statement, covering the years 1917 and 1918.

The total resources of the Federal Reserve Bank of St. Louis increased from \$159,619,896.96 on December 31, 1917, to \$229,496,229.05 on December 31, 1918. Its earning assets increased from \$45,066,896.64 to \$85,717,141.81 within that time. The greatest



increase in the earning assets was the paper discounted for member banks, which amounted to \$70,702,653.85 on December 31, 1918, as compared to \$28,584,397.60 on December 31, 1917.

The total cash reserve increased from \$59,136.094 on December 31, 1917, to \$89,256,994.89 on December 31, 1918. The reserve deposits of member banks also increased, due in great measure to the admission of State banks and trust companies into the System.

Attached hereto as Schedule 2 are comparative balance sheets as of December 31, 1917 and 1918.

#### GENERAL BUSINESS AND BANKING CONDITIONS.

The beginning of 1918 found industries in this district busy, especially those contributing articles necessary for the prosecution of the war. This activity continued with increasing vigor until the termination of hostilities in November. The needs of the Government received first consideration, and the production of nonessentials gave way to those things necessary in carrying on the war. Many concerns worked almost exclusively on Government contracts.

The signing of the armistice on November 11 resulted in the cancellation of many war contracts in this district, and business men have since been engaged in restoring their enterprises to a peace basis. It is believed that the resumption of normal demands, the production of those articles heretofore designated as nonessential, and the development of foreign trade, will largely offset the suspension of war work. Business men as a rule are optimistic regarding the future, but are acting cautiously and buying only for their immediate needs, anticipating a readjustment of prices.

Since the termination of the war, general business has been greatly helped by the lifting of Government restrictions, and many industries are preparing for increased activity. This is especially true of the building, construction, and engineering industries, whose activities were greatly curtailed during the war.

The wholesale and retail trade has been good in this district, and merchants generally have enjoyed a prosperous year. Some lines of business were hampered by Government restrictions, while practically all suffered on account of the extraordinarily high prices and the scarcity of merchandise. Collections, as a rule, have been good, except in some of the southern portions of the district where cotton has moved slowly.

Business has been greatly helped by the high wages paid to labor in the cities and the bountiful returns to the farmer during the past year. The crop of winter and spring wheat in this district was considerably larger than that of last year, and also larger than the average for the five years previous. The production of cotton also exceeded that of last year and the five year average. The corn crop

was a good deal below the record crop of 1917, but only slightly less than the average for the previous five years. The corn in this district was greatly damaged during the summer by dry and excessive temperature, accompanied by hot winds.

Until the termination of the war, there was a strong demand for both skilled and unskilled workmen in the district. This demand brought about competition among employers, which resulted in a migratory tendency on the part of labor. However, this situation was helped by the work of the United States Employment Service Committee. The shortage of workmen was greatly relieved by the employment of women, who entered munition plants and filled many other places formerly occupied by men. Farmers also experienced difficulty in obtaining sufficient help, but many overcame the problem to a great extent by purchasing tractors and other labor-saving machinery. Toward the close of the year the supply of labor became more ample, due to the release of soldiers from the Army and the release of many employees who had been engaged in the manufacture of munitions, etc. The labor situation in this district was seriously affected by the influenza epidemic, which became severe about October, and did not let up until the close of the year. There were a number of strikes and threats to strike during the past year. However, these were settled, and outside of some labor demands which were being arbitrated, there were very few disturbances in this district at the close of the year. Much credit is due to the Federal mediators who assisted in settling the strikes that arose.

During the past year, the demand for money has continued good in this district, and there has been little variance in the bank rate to customers. In the large cities it has remained at about 6 per cent and in the country districts somewhat higher. However, toward the close of the year an easier tone became apparent. The banks have liberally supported the Government in the flotation of the Liberty loans and certificates of indebtedness, and have also taken care of their commercial requirements. This has been accomplished without disturbance to the money market, due to the service rendered by the Federal Reserve Bank.


The commercial paper business has been considerably below normal throughout the year. The rate was practically 6 per cent until December, when it ranged from  $5\frac{1}{2}$  per cent to 6 per cent. Brokers have encouraged the issuance of short maturities, so they would be readily available for rediscount at the Federal Reserve Bank.

An open market for bankers' acceptances is being gradually developed, which will be of benefit to business interests.

As the year closes there is a conservative tone of optimism in business and financial circles in the district.

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## DISCOUNT OPERATIONS.

The total amount of paper discounted for member banks by the Federal Reserve Bank of St. Louis during the year 1918 was \$1,085,137,254, exclusive of bankers' acceptances. Of this amount \$303,792,122 was commercial, or single-name paper, \$15,681,201 consisted of trade acceptances, or two-name paper, and \$765,663,931 consisted of member banks' 15-day collateral notes. Of the \$303,792,122 of commercial paper discounted, \$13,765,838 was secured by Liberty bonds and certificates of indebtedness, and of the \$765,663,931 of member banks' collateral notes \$764,216,431 was secured by such Government obligations.

During the year 1917, the total paper discounted for member banks amounted to \$181,117,651.14. Thus there was an increase of \$904,019,603 in the amount of paper discounted by the Federal Reserve Bank of St. Louis during 1918 over the previous year.

Of the 513 member banks, 278 different member banks rediscounted with this bank during 1918. The number for 1917 was 149, showing an increase of 129 in the number of different member banks accommodated.

Attached hereto as Schedule 3 is a table showing the volume of the different classes of paper discounted by the Federal Reserve Bank of St. Louis and by each branch during each month of the year, and attached as Schedule 4 is a table showing the volume of paper accepted from each State during each month of the year, and the number of different banks in each State discounting during the year.

Attached hereto as Exhibit A is a table and chart showing (1) paper secured by Liberty bonds and Treasury certificates; (2) other discounted paper; (3) total discounts; (4) bills bought in open market; (5) total bills discounted and purchased; (6) ratio of paper secured by Government war obligations to total discounted and purchased bills; and (7) total earning assets, including United States securities.

On December 5 the Federal Reserve Bank of St. Louis rediscounted \$2,000,000 of paper for the Federal Reserve Bank of Philadelphia, and on December 11, it rediscounted \$2,500,000 of paper for the Federal Reserve Bank of Dallas. On July 2 the Federal Reserve Bank of Boston rediscounted \$5,000,006.91 of paper for the Federal Reserve Bank of St. Louis, and on July 9 the Federal Reserve Bank of Cleveland rediscounted \$7,500,001.62 of paper for this bank.

Only two changes were made in the discount rates of this bank throughout the year. These were on April 8, when practically all the rates were slightly raised, and on October 5, when a special rate of 4 per cent instead of  $4\frac{1}{4}$  per cent was established for paper maturing within 16 to 90 days secured by fourth Liberty bonds, provided such paper was taken by the member bank at a rate not in excess of the fourth Liberty loan coupon rate of  $4\frac{1}{4}$  per cent.



Schedule 5 shows the discount rates in effect at the opening and closing of the year and the changes made during the year.

#### TRADE ACCEPTANCES.

During 1918 this bank discounted a total of \$15,681,201 of trade acceptances for member banks, which is an increase of \$12,566,695 over the amount for 1917. This bank has encouraged the use of trade acceptances and throughout the year has maintained a rate for them  $\frac{1}{2}$  to  $\frac{1}{4}$  per cent lower than the rate on commercial paper. That progress has been made is indicated by the large increase in the amount handled during the year.

#### ACCEPTANCES.

During the past year this bank purchased a total of \$30,647,633.18 of bankers' acceptances, of which \$26,096,119.64 were purchased from banks and dealers and \$4,551,513.54 from the Federal Reserve Bank of New York. This is an increase of \$915,361.39 over the amount purchased during 1917. The rates on these acceptances ranged from  $3\frac{3}{8}$  per cent to  $4\frac{1}{4}$  per cent.

This bank has been endeavoring in every way possible to interest financial institutions in the district in the support of the open market, through the purchase of bankers' acceptances, and some progress has been made. To this end the bank has avoided as much as possible direct purchases of bills from accepting institutions, taking bills from only such institutions as found it impossible to sell their obligations in the open market. When the bills were purchased direct from the accepting banks, the commercial paper rate was charged instead of the acceptance rate. Recently this bank has adopted the policy of assisting local dealers in carrying the bills in their portfolios under a 15-day purchase and resale agreement. This enables them to carry the bills until they can be disposed of in the open market.

Schedule 6 is a table showing the amount of bankers' acceptances purchased by this bank and each of its branches each month during 1918.

During the past year the following member banks were authorized by the Federal Reserve Board to accept drafts and bills of exchange growing out of transactions involving the importation or exportation of goods up to 100 per cent of their capital and surplus, as provided in section 13 of the Federal Reserve Act:

Name and location:	Date authorized.
Mercantile Trust Co., St. Louis, Mo.....	Mar 11, 1918
Merchants' Laclede National Bank, St. Louis, Mo.....	Mar. 18, 1918
Third National Bank, St. Louis, Mo.....	Oct. 10, 1918
Mechanics-American National Bank, St. Louis, Mo.....	Oct. 15, 1918
National Bank of Commerce, St. Louis, Mo.....	Oct. 15, 1918
Union & Planters Bank & Trust Co., Memphis, Tenn.....	Apr. 17, 1918
Central State National Bank, Memphis, Tenn.....	Oct. 22, 1918

## RESERVE POSITION.

On December 31, 1917, the total reserve of this bank against all liabilities was 58.8 per cent, and on the same date this year the percentage was 54.5. The following table shows the reserve position of the Federal Reserve Bank of St. Louis at the close of each month during 1918:

1918.	Net deposits.	Outstanding Federal Reserve notes.	Total.	Total reserves.	Per cent.
Jan. 31.....	\$53,054,367.43	\$56,290,945.00	\$109,345,312.43	\$70,506,434.00	64.5
Feb. 28.....	47,936,349.65	59,835,985.00	107,772,334.65	79,313,022.00	73.6
Mar. 31.....	59,352,279.66	63,002,780.00	122,955,059.66	78,980,775.00	69.9
Apr. 30.....	49,266,153.51	61,474,460.00	110,730,613.51	57,763,379.00	52.2
May 31.....	60,342,801.32	64,716,560.00	125,059,361.32	88,493,018.00	70.8
June 30.....	60,052,695.42	65,899,305.00	125,952,000.42	56,540,668.19	44.9
July 31.....	52,362,046.97	73,809,310.00	126,171,356.97	65,018,672.36	51.5
Aug. 31.....	47,578,440.41	86,253,825.00	133,832,265.41	82,102,360.06	61.3
Sept. 30.....	48,512,713.09	100,114,835.00	148,627,548.09	76,886,858.69	51.7
Oct. 31.....	64,683,433.36	107,606,485.00	172,289,918.36	84,903,230.00	49.3
Nov. 30.....	55,309,169.90	111,788,895.00	167,098,064.90	90,697,846.96	54.3
Dec. 31.....	43,814,815.54	120,037,040.00	163,851,855.54	89,256,994.89	54.5

Attached hereto as Exhibit B is a table and chart showing (1) total cash reserves, (2) net deposit liability, (3) Federal Reserve notes in circulation, (4) net deposits plus Federal Reserve notes in actual circulation, and (5) ratio of total cash reserves to combined net deposit and Federal Reserve note liabilities.

## MOVEMENT OF MEMBERSHIP.

On January 1, 1918, the Federal Reserve Bank of St. Louis had 478 member banks, and its authorized capital was \$6,949,200, of which one-half, or \$3,474,600, was paid in. Of the 478 members, 465 were national banks. During the year 11 national banks became members and 7 national banks surrendered their membership through liquidation.

At the close of 1917, 9 State banks and 4 trust companies, making a total of 13 State institutions, were members of the Federal Reserve Bank of St. Louis. During 1918, 18 State banks and 13 trust companies became members, making a total of 44 member State banks at the close of the year.

On December 31, 1918, this bank had a total of 513 member banks, consisting of 469 national banks, 27 State banks, and 17 trust companies, and its authorized capital was \$7,599,200, of which \$3,799,600 was paid in. This shows a net increase of 35 in the number of member banks, and a net increase in the paid-up capital stock of \$325,000 over December 31, 1917.

Attached hereto as Schedule 7 is a list of the State banks and trust companies admitted to membership during 1918, showing their capital and surplus, total resources, and date of admission.

There are 959 eligible nonmember State banks and trust companies in this district, with total resources aggregating approximately \$500,000,000. The total resources of the 44 State banks and trust companies that are members of the Federal Reserve Bank of St. Louis amount to \$347,683,000. Thus the State institutions that have become members represent almost 70 per cent of the total resources of all the eligible nonmember banks in the district.

#### RELATIONS WITH NATIONAL BANK MEMBERS.

During the past year more national banks in this district have availed themselves of the rediscount privilege and to a greater extent than during the previous year. Through the assistance rendered them by the Federal Reserve Bank during the past year, the banks have become more appreciative of the advantages offered by the reserve system and the strength given them by membership. They are more and more reducing their bills payable with their correspondents and increasing their bills rediscounted with the Federal Reserve Bank.

Nine national banks in this district were granted permission by the Federal Reserve Board during 1918 to act as trustee, executor, etc., under the provisions of section 11 (k) of the Federal Reserve Act. From the opening of the bank to the close of 1917, 29 national banks had been granted permission, making a total of 38 national banks in this district authorized to exercise fiduciary powers. Of these banks, 3 are located in Arkansas, 9 in Illinois, 6 in Indiana, 10 in Kentucky, 1 in Mississippi, 8 in Missouri, and 1 in Tennessee.

The amendment of September 26, 1918, to section 11 (k) of the Federal Reserve Act, empowering the Federal Reserve Board to authorize national banks, in addition to trustee, executor, administrator, and registrar of stocks and bonds, "to act as guardian of estates, assignee, receiver, committee of estates of lunatics, or in any other fiduciary capacity in which State banks, trust companies, or other corporations which come into competition with national banks are permitted to act, under the laws of the State in which the national bank is located," has resulted in a number of national banks in this district applying for these powers.

Attached hereto as Schedule 8 is a list of the national banks granted permission during 1918 to exercise fiduciary powers.

In the early part of April, 1918, the Federal Reserve Bank of St. Louis, as an added facility for member national banks, began to make deposits for them to their 5 per cent redemption accounts with the Treasurer of the United States in Washington, through the medium of the Federal Reserve Board and the gold-settlement fund. The table following shows the volume of such deposits.



Month.	Number of deposits.	Amount.	Month.	Number of deposits.	Amount.
April (18 to 30).....	179	\$315, 095. 00	October.....	383	\$756, 204. 90
May.....	598	1, 105, 320. 00	November.....	313	855, 462. 50
June.....	551	1, 042, 112. 50	December.....	275	774, 390. 00
July.....	521	950, 692. 50	Total.....	3, 631	7, 424, 446. 80
August.....	443	834, 059. 40			
September.....	368	791, 110. 00			

## RELATIONS WITH STATE BANKS AND TRUST COMPANIES.

Activities in connection with subscriptions to the Liberty loans and the financing of such subscriptions have brought the State banks of this district into closer touch with the Federal Reserve Bank. The member State banks have availed themselves freely of the discount privilege, and the amount of discounts accepted from them has steadily increased throughout the year. They have also taken advantage of the collection system and the other facilities offered by the Federal Reserve Bank.

Of the \$52,830,678.16 of reserve deposits of all member banks in the Federal Reserve Bank of St. Louis at the close of business December 31, 1918, the reserves of the 44 member State banks and trust companies amounted to \$15,817,208.92.

It has not been necessary to make a separate examination of any of the member State banks or those applying for membership during the past year. The various State banking departments have fully cooperated in furnishing duplicate copies of their reports of examinations of member State banks and of those applying for membership. However, toward the close of the year an arrangement was made with the Missouri State Banking Department at its request, to have the examiner of the Federal Reserve Bank participate with the State examiner in examinations of member State banks in Missouri, and it is expected to make a similar arrangement with the banking departments of the other States in this district.

## FISCAL AGENCY OPERATIONS.

As fiscal agent of the United States Government, during the past year the Federal Reserve Bank of St. Louis has continued to receive and disburse funds for its account. Acting in this capacity, it has also handled the sales of certificates of indebtedness, Liberty bonds, and war savings stamps in this district for the Treasury Department. It has also assisted in the work of the War Finance Corporation and the Capital Issues Committee.

## TREASURY CERTIFICATES OF INDEBTEDNESS.

Certificates of indebtedness were issued in anticipation of the Liberty loans, and were used to a great extent in making payment

for the Liberty bonds. This obviated any disturbance which might have occurred if the payments had had to be made all at once in cash.

In anticipation of the third Liberty loan, there were 6 offerings of certificates of indebtedness aggregating \$2,900,000,000. The aggregate quota assigned to this district amounted to \$135,000,000, and the total subscriptions received aggregated \$133,584,500. Of the 3,123 banking institutions in this district, 2,376, or 76.07 per cent, subscribed for these certificates.

Schedule 9 is a statement showing the various issues of certificates of indebtedness prior to the third Liberty loan and also the subscriptions received from the different classes of banking institutions in the district.

In anticipation of the fourth Liberty loan there were seven offerings of certificates of indebtedness, aggregating \$4,100,000,000. The aggregate quota assigned to this district amounted to \$164,000,000 and the total subscriptions received aggregated \$186,963,000. Of the 3,093 banks in this district, 2,801, or 90.56 per cent, subscribed for these certificates.

Attached hereto as Schedule 10 is a statement showing the various issues of certificates of indebtedness prior to the fourth Liberty loan and also the subscriptions received from the various classes of banking institutions in the district.

In December there were also two offerings of certificates of indebtedness, aggregating \$1,100,000,000, issued in anticipation of the fifth Liberty loan which is expected to be launched in the spring. The aggregate quota of these certificates for this district amounted to \$44,000,000, and the total subscriptions received aggregated \$45,551,000. Of the 3,093 banks in this district, only 1,757, or 56.8 per cent, subscribed for these certificates.

Schedule 11 shows the two offerings of certificates of indebtedness issued in anticipation of the fifth Liberty loan and also the subscriptions received from the different classes of banks in the district.

During the year seven offerings of tax certificates were also issued in anticipation of income and excess profits taxes due the Government. The first five issues were in anticipation of the taxes due June 15, 1918. The banks, corporations, and individuals in this district subscribed to \$18,870,000 of these issues. The last two issues were in anticipation of the taxes to be paid in 1919; \$21,821,500 of these two issues were taken in this district.

Attached hereto as Schedule 12 is a statement showing the various offerings of tax certificates issued during 1918 and the subscriptions to each received in this district.

## DEPOSITS OF TREASURY FUNDS WITH BANKS AND THEIR WITHDRAWAL.

Such banks and trust companies, incorporated under the laws of the United States or any State, as made application through the Federal Reserve Bank of St. Louis, accompanied by acceptable collateral, were designated as depositaries of funds arising out of the sales of Treasury certificates of indebtedness and Liberty loan bonds in this district. Two hundred and ninety-eight banks qualified for deposits of the third loan and 120 banks for deposits of the fourth loan, which, with those which qualified prior to January, 1918, made a total of 537 Government depositaries at the end of the year.

This bank had custody of all collateral offered as security for these deposits and performed all duties incident to the deposit and withdrawal of funds, collection of interest, etc. It also handled the deposits and withdrawals of funds redeposited with qualified depositaries accruing from the payment of income and excess profits taxes last June. The largest amount of collateral in its custody at any one time was on October 26, when the securities held by it totaled \$102,616,000. The largest amount of deposits outstanding with depositaries at any one time was \$87,000,000 on October 28. The total amount of deposits made with depositaries during the year amounted to \$581,260,000, of which at close of business December 31 about \$12,135,000 was still outstanding. The interest collected by the Federal Reserve Bank for account of the United States Government on such deposits during the year amounted to about \$700,000.

## FLOTATION OF LIBERTY LOANS.

The campaign for the third Liberty loan opened on April 6. The amount was \$3,000,000,000, and the quota assigned to this district was \$130,000,000. This was the first district to meet its quota. The total subscriptions received amounted to \$199,835,900, over-subscribing the quota by \$69,835,900. These subscriptions were allotted by the Treasury Department in full. The subscriptions were widely distributed, the number of subscribers being 1,185,709. Of the 3,066 banking institutions in this district 3,044, or 98.27 per cent, sent in subscriptions for themselves and their customers. Of the \$199,835,900 of subscriptions \$56,290,303 was paid in cash, \$54,124,000 in certificates of indebtedness, and \$89,421,597 by credit on the books of the Federal Reserve Bank by banks authorized to act as Government depositaries.

Attached hereto, as Schedule 13, is a table showing the quota, subscriptions, number of subscribers in each State, the subscriptions received from each class of banking institutions, and the methods of payment for subscriptions to the third Liberty loan.

The fourth Liberty loan was launched on September 28. Its amount was \$6,000,000,000 and the quota assigned to this district



was \$260,000,000. As in the case of the third Liberty loan, this was the first district to meet its quota. The total subscriptions received amounted to \$295,329,750, oversubscribing the quota by \$35,329,750. These subscriptions were also allotted in full. The number of subscribers was 1,395,299. Of the 3,087 banking institutions in this district, 3,059, or 99.093 per cent, sent in subscriptions for themselves and their customers. Total payments amounting to \$270,547,025 have been made on the \$295,329,750 of subscriptions to the fourth Liberty loan, in the following manner: \$54,313,997.64 in cash, \$82,274,000 in certificates of indebtedness, and \$133,959,027.36 by credit on the books of the Federal Reserve Bank by banks authorized to act as Government depositories. There is an unpaid balance of \$24,782,725, not yet due, on \$49,570,450 of subscriptions which are being paid on the Government plan.

Attached hereto, as Schedule 14, is a table showing the quota, subscriptions, the number of subscribers in each State, the subscriptions received from each class of banking institutions, and the methods of payment for subscriptions to the fourth Liberty loan.

The campaign work in connection with both the third and fourth Liberty loans was conducted by the Liberty Loan Organization, under the supervision of the Federal Reserve Bank, as was done in the case of the first and second loans. Gov. Rolla Wells was chairman of this organization. However, the previous plans were somewhat changed. The central committee, of which Mr. William R. Compton was chairman, Mr. T. K. Smith, vice-chairman, and Mr. George O. Carpenter, jr., secretary, was the active administrative body. In addition to these gentlemen, the committee consisted of a chairman for each State and directors in charge of the various departments of the organization. With the exception of the secretary, all the members of the central committee were volunteers and devoted practically their entire time to the work during the active campaigns.

After the third Liberty loan, the Liberty Loan Organization also acted as sales agent in distributing the certificates of indebtedness, and rendered valuable assistance through its 86 district managers.

Early in the year the organization moved to the sixteenth floor of the Railway Exchange Building and occupied the entire southwest corner of that floor. These quarters were occupied until the close of the fourth Liberty loan, when the organization moved to the fifth and sixth floors of the building at 210 North Broadway, adjoining the Federal Reserve Bank Building.

#### WAR-SAVINGS AND THRIFT STAMPS.

An issue of war-savings stamps and thrift stamps, authorized by act of Congress approved September 24, 1917, was offered to the

people of the United States on December 3, 1917, through the banks, post-offices, and other agencies. The issue was dated January 1, 1918, and was for a period of five years. The Federal Reserve Bank has supplied the stamps to banks and other agencies.

The war-savings campaign was handled originally by the Treasury Department in Washington through State directors, each director being responsible for one State. This plan was followed until September, 1918, when the Treasury Department placed the war-savings campaign under the supervision of the Federal Reserve Bank.

From December, 1917, to December, 1918, inclusive, 6,102,613 war-savings stamps, of a maturity value of \$30,513,065, and 2,210,693 thrift stamps, amounting to \$552,673.25, were delivered through the Federal Reserve Bank of St. Louis. In addition, 212,048 filled thrift cards were exchanged for war-savings stamps, which were cancelled and shipped to Washington. There were 2,220 agents in this district, as follows: Arkansas, 330; Illinois, 195; Indiana, 109; Kentucky, 116; Mississippi, 166; Missouri, 1,204; Tennessee, 100. Eighteen thousand deliveries of stamps were made to these agents, being an average shipment of \$1,418. Stamps were also shipped to agents on a consignment basis against a pledge of approved collateral. Securities aggregating \$1,300,000 were on deposit with the Federal Reserve Bank covering such transactions.

The following table shows the war-savings stamps delivered through the Federal Reserve Bank of St. Louis for each month since the campaign started:

	Number of stamps.	Maturity value.		Number of stamps.	Maturity value.
1917			1918		
December.....	221,779	\$1,108,895	June.....	956,564	\$4,782,820
1918			July.....	1,226,468	6,132,340
January.....	590,730	2,953,650	August.....	634,181	3,170,905
February.....	296,396	1,481,980	September.....	488,122	2,440,610
March.....	292,230	1,461,150	October.....	364,113	1,820,565
April.....	217,785	1,088,925	November.....	317,478	1,587,390
May.....	184,480	922,400	December.....	312,287	1,561,435
			Total.....	6,102,613	30,513,065

The third and fourth Liberty loan drives are reflected in the war-savings campaign by periods of marked decreases in sales during May and November. An unusual period of activity occurred in January, 1918, occasioned by an intensive drive in St. Louis. During February, March, April, and May the sales showed a gradual, but steady decline for each month, reaching in the month of May the lowest point of the campaign. As a result of the President's appeal of June 28, war-savings pledge cards were signed throughout this district causing a tremendous increase in the sales for July and August. The figures

show that almost one-third of the total sales for the year were made during these two months. After July, the sales again fell off, August, September, October, November and December each showing a decrease in the sales as compared with the preceding month, but at no time did they reach the low level of the first months of the campaign.

#### WAR FINANCE CORPORATION.

During the past year this bank has also acted as fiscal agent of the War Finance Corporation, which was created by an act of Congress approved April 5, 1918. Although the Federal Reserve Bank of St. Louis sent out circulars from time to time explaining the purposes and requirements of the War Finance Corporation, only one loan was made by it as fiscal agent of that corporation. This was to a national bank in this district and amounted to \$75,000. However, several loans were obtained direct from the War Finance Corporation in Washington by public utility companies and others in the district, and this bank acted as custodian in holding the collateral pledged as security therefor.

#### CAPITAL ISSUES COMMITTEE.

On January 11, 1918, the Federal Reserve Board appointed a Capital Issues Committee to pass upon such applications as might be submitted to it in respect to capital expenditures or issues of new securities, the purpose being to discourage unnecessary undertakings, so as to release capital, labor, and materials for war purposes. This committee in turn appointed a subcommittee in each of the 12 Federal Reserve districts. Each subcommittee was at first divided into a permanent committee and an auxiliary committee. The permanent committee in this district consisted of Mr. Wm. McC. Martin, chairman, Mr. Rolla Wells, vice chairman, and Messrs. F. O. Watts, W. K. Bixby, and W. R. Compton, all of St. Louis. The auxiliary committee consisted of Messrs. N. A. McMillan, Breckinridge Jones, Walker Hill, Festus J. Wade, Wm. E. Guy, and Benj. Gratz, all of St. Louis, Mr. J. A. Omberg of Memphis, Tenn., Messrs. S. T. Ballard and Embury L. Swearingen, of Louisville, Ky., Mr. W. L. Hemingway, of Little Rock, Ark., and Mr. M. S. Sonntag, of Evansville, Ind.

The Capital Issues Committee, by an act of Congress approved April 5, 1918, was created by law and its functions defined. Following the passage of this act, in July, the permanent and auxiliary committees were merged into one, known as the "District Committee on Capital Issues." The personnel remained the same, the only change being that an executive committee from its number was appointed, consisting of Mr. Wm. McC. Martin, chairman, Mr. Rolla Wells, vice-chairman, and Messrs. W. K. Bixby, W. R. Compton, Walker Hill, and F. O. Watts. In the beginning, Mr. C. M. Stewart, assistant



Federal Reserve agent, acted as secretary of the local committee, but as the work progressed, it became too burdensome in connection with his other duties and Mr. L. A. Wilson was appointed July 11 to take his place. The members of the committee served without remuneration.

Applications began coming in to the committee in February and the first formal meeting was held on March 8, 1918. From that time to the close of the year it held a total of 46 meetings. During that time the committee considered and passed upon 283 applications of all classes, involving a total of \$92,418,031.10. Of these 283 cases 143 involved more than \$100,000 each and 140 involved \$100,000 or less. Of the 143 major cases, 100 were approved wholly or in part, aggregating \$60,325,527, and 43 cases disapproved wholly or in part, aggregating \$25,617,782. Of the 140 minor cases, 110 were approved wholly or in part, aggregating \$5,053,150, and 30 were disapproved wholly or in part, aggregating \$1,421,572.10. Thus a total of 210 applications was approved, involving \$65,378,677, and 73 cases disapproved, involving \$27,039,354.10.

In addition to the foregoing applications, about 140 unnecessary undertakings, involving approximately \$40,000,000 were postponed in this district, after the necessities of the Government, through correspondence and personal interviews, were brought to the attention of prospective applicants by members of the committee. These postponed issues which did not reach the stage of formal applications, together with the applications definitely disapproved by the committee, aggregated \$67,039,354.10. These figures, of course, do not fully reflect the conservation in this district of capital, labor, and materials that was effected as a result of the disapproval or postponement of proposed issues; nor do they reflect the great moral effect and general restraining influence that the activities of the Capital Issues Committee has had on the general public.\*

The work of the committee was most active during the months of August, September, October, and November, due no doubt to the fact that the law had become better known and understood. During those four months the committee held 25 meetings and passed upon 204 cases, or an average of more than 8 cases at each session. Under instructions from the Capital Issues Committee at Washington, the district committee suspended operations on December 31, 1918.

#### FEDERAL RESERVE NOTES.

During the past year, the Federal Reserve agent issued to the Federal Reserve Bank of St. Louis a total of \$102,605,000 of Federal Reserve notes, which is an increase of \$47,345,000 over the amount issued last year. The greatest demand for notes was during the months of July, August, September, and December. As was the case

in 1917, considerably more notes of the \$10 and \$20 denominations were issued than of the other denominations.

Attached hereto as Schedule 15 is a table showing the denominations and amounts of Federal Reserve notes issued by the Federal Reserve agent to the Federal Reserve Bank of St. Louis each month during the year and the totals from the opening of the bank on November 16, 1914, to December 31, 1918.

On December 31, 1918, the total amount of Federal Reserve notes outstanding was \$129,119,875. Of this amount, \$66,673,935 was covered by gold deposited with the Federal Reserve agent and the balance of \$62,445,940 by eligible paper hypothecated with him.

This bank has continued to acquire gold from banks of the district in exchange for Federal Reserve notes. Both member and non-member banks have cooperated in this, so that at the end of the year the greater part of the gold in the district was deposited in the Federal Reserve Bank.

During 1918 the Federal Reserve Bank of St. Louis received from other Federal Reserve Banks for redemption or credit \$15,019,535 of its own Federal Reserve notes and returned to other Federal Reserve Banks for redemption or credit \$37,557,760 of their Federal Reserve notes. In other words, this bank returned \$22,538,225 more notes of other banks than it received of its own. As was the case in 1916 and 1917, the Federal Reserve Banks of Chicago and New York returned to this bank during 1918 more of the notes of the Federal Reserve Bank of St. Louis than did any other districts. However, whereas during the years mentioned this bank returned more notes of the Kansas City and Dallas Federal Reserve Banks, during 1918 it returned more notes of the Chicago and Kansas City Federal Reserve Banks than of any other districts.

Attached hereto as Schedule 16 is a table showing the amounts of Federal Reserve notes of this bank received from other Federal Reserve Banks for redemption or credit and notes of other Federal Reserve Banks returned by this bank to them for redemption or credit, from January 1, 1918, to December 31, 1918.

During 1918 the Treasurer of the United States redeemed out of the redemption fund maintained with him by the Federal Reserve agent \$20,843,555 of unfit notes of the Federal Reserve Bank of St. Louis, making a total of \$29,270,125 redeemed from the opening of the bank to December 31, 1918, in the following denominations: Fives, \$10,615,615; tens, \$12,417,680; twenties, \$5,943,280; fifties, \$240,050, and hundreds, \$53,500. These unfit notes were turned over to the Comptroller of the Currency for destruction.

Out of the redemption fund maintained by the Federal Reserve Bank of St. Louis with the United States Treasurer, he redeemed \$690,050 of fit Federal Reserve notes during 1918, making a total of

\$2,456,750 from the opening of the bank to the close of 1918. These were returned to the bank for reissuance.

In addition to the supply of Federal Reserve notes kept in Washington and in the vaults of the Federal Reserve agent, the amount maintained in the subtreasury at St. Louis has been greatly increased so that an adequate supply would be immediately available at all times.

During the year the Federal Reserve agent received from the Comptroller of the Currency Federal Reserve notes aggregating \$88,280,000, the majority being received during August, September, October, and December.

Attached hereto as Schedule 17 is a table showing the amounts of Federal Reserve notes of the various denominations received by the Federal Reserve agent from the Comptroller of the Currency each month during 1918 and the totals from November 16, 1914, to December 31, 1918.

There is also attached as Schedule 18 a summarized statement of the receipt and disposition of all Federal Reserve notes by the Federal Reserve agent from November 16, 1914, to December 31, 1918, as well as of all funds and securities in his possession.

#### FEDERAL RESERVE BANK NOTES.

During the year 1918 the Federal Reserve Bank of St. Louis received \$6,472,000 of Federal Reserve bank notes in the following denominations: Ones, \$3,232,000; twos, \$1,000,000; fives, \$1,240,000; tens, \$1,000,000. The first shipment was received on September 13, 1918, and from then to the close of the year it issued \$6,248,000 of Federal Reserve bank notes, of which \$32,000 were redeemed. These Federal Reserve bank notes were secured by \$6,568,000 of United States certificates of indebtedness, deposited with the Treasurer of the United States.

#### POSITION OF COMMERCIAL BANKS AS A RESULT OF WAR FINANCING.

In Federal Reserve District No. 8 a total of \$710,804,500 was sold of all four issues of Liberty bonds. The total amount of certificates of indebtedness taken by this district in anticipation of all Liberty loans was \$444,543,500, but of these certificates \$353,454,000 have matured and been paid by the Government, leaving \$91,089,500 outstanding. Of this \$91,089,500 of certificates, some were used in making payments on fourth Liberty bonds, so that the amount actually outstanding is less than \$91,000,000. Assuming, however, that the amount is \$91,000,000, this, added to the \$710,804,500 of Liberty bonds, gives a total of approximately \$800,000,000 of war obligations taken by this district and outstanding at the end of 1918.



The banks in the five centers of this district, St. Louis, Louisville, Memphis, Little Rock, and Evansville, at the close of 1918 held approximately \$40,000,000 of Liberty bonds and approximately \$35,000,000 of certificates of indebtedness, or an aggregate of \$75,000,000 of war obligations. This would indicate that out of the \$800,000,000 of war obligations taken and outstanding in this district, a very large amount, probably five to seven hundred millions of dollars, was absorbed by the general public. Under the circumstances, this indicates a not unsatisfactory condition in this district.

Of the total paper discounted for member banks during the year 1918, amounting \$1,085,137,254.22, \$777,982,268.83 was secured by Government war obligations, showing the extent to which the Federal Reserve Bank has been called on to give assistance. Due to this assistance the support rendered by the banks to the Government has had little effect on the general business in this district. At the request of the Federal Reserve Board many banks discriminated against loans for nonessential purposes, but legitimate essential business demands have been taken care of by the banks without hesitation at a fair rate of interest.

The following figures show the assistance given member banks during the period of the war: On April 1, 1917, just prior to the entrance of the United States into the war, the bills rediscounted by the Federal Reserve Bank of St. Louis for member banks amounted to only \$251,806.43, and the advances made to member banks on their 15-day collateral notes amounted to only \$1,310,000. On December 31, 1918, after a year and eight months of war financing, the bills discounted for member banks amounted to \$21,249,353.85, of which \$3,904,341.50 were secured by Liberty bonds and Treasury certificates of indebtedness, and the advances to member banks on their 15-day collateral notes amounted to \$49,453,300, of which \$49,213,300 was secured by such Government securities. Thus from our entrance into the war to the close of 1918, member banks' paper discounted by the Federal Reserve Bank of St. Louis increased from \$1,561,806.43 to \$70,702,653.85, of which \$53,117,641.50 was secured by war obligations.

The effect of war financing or commercial paper in this district has been very noticeable. The market has been considerably below normal. Slight revivals have occurred between the Liberty loan campaigns, but on the whole the commercial paper business has been quiet. The rate on commercial paper during 1918 remained at practically 6 per cent until December, when a downward tendency became apparent.

## OPERATIONS OF FEDERAL RESERVE BANK BRANCHES.

## LOUISVILLE BRANCH.

The total earnings of the Louisville branch for the year 1918 amounted to \$166,666.28, and its expenses amounted to \$61,841.22, leaving net earnings of \$104,825.06. Of the total earnings of \$166,666.26, \$149,678.20 was derived from bills discounted for members. During the year the Louisville branch discounted for member banks a total of \$83,438,291.71 of paper, and purchased a total of \$804,907.72 of bankers' acceptances. Schedule 3 shows the amounts of the different classes of paper discounted by the Louisville branch each month, and Schedule 6 shows the amount of bankers' acceptances purchased by it each month.

For 1918 this bank reappointed Mr. W. P. Kincheloe as manager and Mr. John T. Moore as cashier. It also reelected the following directors for the Louisville branch: Messrs. W. P. Kincheloe, Geo. W. Norton, and W. C. Montgomery. The following directors were reappointed by the Federal Reserve Board: Messrs. S. M. Sackett and Charles E. Hoge.

At the close of the year the Louisville branch had 23 employees.

## MEMPHIS BRANCH.

On June 5, 1918, the Federal Reserve Bank of St. Louis granted a petition for a branch in Memphis, Tenn., which was later approved by the Federal Reserve Board. This bank appointed as officers of the branch Mr. John J. Heflin, manager, and Mr. A. J. Williams, cashier. As directors of the branch it appointed Messrs. John J. Heflin, J. D. McDowell, and R. B. Snowden. The directors appointed by the Federal Reserve Board were Messrs. T. K. Riddick and S. E. Ragland.

The Memphis branch opened for business on September 2, 1918. From that time to the close of the year its earnings amounted to \$155,973.91 and its expenses amounted to \$68,339.65, leaving net earnings of \$87,634.26. Of the \$155,973.91 of earnings, \$143,211.29 was derived from bills discounted for members. From September 2 to December 31, 1918, this branch discounted for its member banks a total of \$71,166,365.40 of paper, and purchased a total of \$820,488.75 of bankers' acceptances. Schedule 3 shows the amounts of the different classes of paper discounted by the Memphis branch each month during that period, and Schedule 6 shows the amounts of bankers' acceptances purchased by it each month.

At the close of the year the Memphis branch had 29 employees.

## LITTLE ROCK BRANCH.

On June 19, 1918, the Federal Reserve Bank of St. Louis granted a petition for a branch in Little Rock, Ark., which was later approved

by the Federal Reserve Board. This bank appointed as officers of the branch Mr. John M. Davis, manager, and Mr. A. F. Bailey, cashier. As directors of the branch it appointed Messrs. John M. Davis, Ed. Cornish, and W. L. Hemingway. The directors appointed by the Federal Reserve Board were Messrs. Moorehead Wright and Geo. W. Rogers.

The branch did not open for business during 1918, but it is expected to open on January 6, 1919.

#### INTERNAL ORGANIZATION.

The directors of the Federal Reserve Bank of St. Louis during 1918 were as follows: Messrs. Frank O. Watts, Walker Hill, and Sam A. Ziegler, class A directors; Messrs. David C. Biggs, W. B. Plunkett, and Le Roy Percy, class B directors; and Messrs. Wm. McC. Martin, John W. Boehne, and C. P. J. Mooney, class C directors. Mr. Wm. McC. Martin was also chairman of the board and Federal Reserve agent, and Mr. John W. Boehne was deputy chairman. Of these directors, the terms of Messrs. Frank O. Watts, David C. Biggs, and Wm. McC. Martin expired on December 31, 1918.

An election was held from November 19 to December 6, 1918, for the selection of class A and class B directors to succeed those whose terms expired December 31, 1918. Mr. David C. Biggs was reelected by the banks in group No. 1 as a class B director, to serve for three years from January 1, 1919, and Mr. J. C. Utterback, president of the City National Bank, Paducah, Ky., was elected by the banks in group No. 2 as a class A director, to serve for three years from January 1, 1919, to succeed Mr. Frank O. Watts. By reason of the amendment of September 26, 1918, to the Federal Reserve Act, which provided that no officer or director of a member bank should serve as a class A director of the Federal Reserve Bank unless elected by the group to which his bank is assigned, Mr. Frank O. Watts was ineligible for reelection by the banks in group 2 as the Third National Bank, St. Louis, of which he was president, was in group 1. As required by the amendment referred to, the banks in this district were reclassified by the Federal Reserve Board, as follows: Group 1, all banks with capital and surplus in excess of \$599,000; group 2, all banks with capital and surplus not exceeding \$599,000 and not below \$100,000; and group 3, all banks with capital and surplus below \$100,000. In group 1 there were 34 banks, of which 31 qualified to vote and 29 voted. In group 2 there were 168 banks, of which 126 qualified and 114 voted. There were 307 banks in group 3, but they did not participate in the election, as the term of no director elected by that group expired on December 31, 1918. Considerably more interest was manifested in this election than in the previous ones.

On December 11 the Federal Reserve Board reappointed Mr. Wm. McC. Martin as a class C director, for three years from January 1,



1919, and redesignated him as chairman of the board and Federal Reserve agent.

The directors held 22 meetings during the year, with an average attendance of 8.

The executive committee during 1918 consisted of the governor of the bank, the Federal Reserve agent, and Directors Walker Hill, F. O. Watts, and D. C. Biggs. From the first of the year to the early part of July it met twice each week, but since then it has met daily.

On January 9 the directors elected the following officers for the year 1918: Mr. Rolla Wells, governor; Mr. W. W. Hoxton, deputy governor; James G. McConkey, secretary and counsel; Mr. O. M. Attebery, cashier; Messrs. R. R. Clabaugh, A. H. Hail, J. W. White, and J. W. Rinkleff, assistant cashiers; and Mr. John A. Will, general auditor. Mr. F. O. Watts was also reelected to represent this bank on the Federal Advisory Council during 1918. The duties of Mr. Hoxton, who had previously acted as both deputy governor and cashier, were divided by the election of Mr. Attebery as cashier. Messrs. White and Rinkleff were newly elected assistant cashiers. On July 31, 1918, Mr. John A. Will, general auditor, resigned, to accept a position with the Federal Reserve Board as a Federal Reserve Examiner. On September 4 Mr. E. J. Novy, assistant auditor, was appointed general auditor to succeed Mr. Will.

At the close of 1918 the bank, with its branches, had 385 employees, including the officers, of whom 126 were employed on fiscal agency work. At the close of 1917 the bank had 171 employees, of whom 66 were employed on fiscal agency work.

#### CLEARINGS.

The clearing plan which went into effect on July 15, 1916, has continued with very satisfactory results. The volume of business handled and the number of State banks clearing at par are constantly increasing.

At the close of 1917 the Federal Reserve Bank of St. Louis was able to collect at par on 1,476 banks in the Eighth Federal Reserve District. At the close of 1918 the number of such banks had increased to 1,558. At the close of 1918, 25 nonmember banks were carrying collection accounts with the Federal Reserve Bank of St. Louis and its branches. Nineteen of such accounts were carried with the parent bank at St. Louis, one with the Louisville branch and five with the Memphis branch.

Attached hereto as Schedule 19 is a table showing total number and amount of city items, country items in this district, and other district items, handled by the Federal Reserve Bank of St. Louis and its branches each month during 1918.

This table shows that the number of items, both city and country, handled for the month of December was more than double that handled for the month of January. This is due, somewhat, to a natural increase in business, but principally to the suspension of the service charge on June 15, 1918. It will also be seen that the number of items handled, payable in other districts, shows an increase after the suspension of the service charge, but a decrease during the latter part of the year. This is the result of the bank's encouraging its members to route items payable in other districts direct to the Federal Reserve Bank or branch thereof serving the territory in which the items are payable, thus avoiding unnecessary handling and insuring the utmost promptness in the presentation of all such items.

On September 3, 1918, the limit for which a Federal Reserve exchange draft could be drawn was increased from \$250 to \$5,000. Since that time 16 member banks have asked for permission to use these drafts and have been furnished with a supply of them. Of these banks, 5 are attached to the Louisville branch, 2 to the Memphis branch, and 9 to the parent bank at St. Louis. Several of these member banks are making active use of this form of exchange in lieu of carrying accounts in other districts for exchange purposes, while others have not as yet used any of the drafts which were furnished them.

Schedule 20 shows the number and amount of checks and warrants on the United States Treasurer handled by the Federal Reserve Bank of St. Louis and its branches each month during 1918; Schedule 21 shows the volume of coupons handled. The volume of checks, warrants, and coupons handled for the Treasurer of the United States shows a constant increase for the year 1918.

Arrangements were made, effective on and after December 17, 1918, whereby the clearing-house balances of the Assistant Treasurer of the United States at St. Louis were settled as a transfer of funds between general account of the Treasurer of the United States with the Assistant Treasurer at St. Louis and the Federal Reserve Bank, without the actual transfer of currency, the balances being disposed of simply by book entries. This does away with the necessity of the Federal Reserve Bank of St. Louis transporting funds between its office and the Assistant Treasurer's office, except as it supplies the Assistant Treasurer with Federal Reserve notes to meet his current needs.

#### COLLECTIONS.

The service charge on collection items was suspended on June 15, 1918. This resulted in the member banks making greater use of the facilities afforded by this bank for the collection of notes, drafts, and

other items. For the year 1918 the following collection items were handled by the Federal Reserve Bank of St. Louis and its branches:

	Number of items.	Amounts.
St. Louis.....	7,681	\$24,280,916.05
Branch at Louisville.....	2,898	6,530,080.56
Branch at Memphis.....	783	2,658,609.94
Total.....	11,362	33,469,606.55

#### GOLD SETTLEMENT FUND.

During 1918 the transfers through the gold settlement fund in Washington have increased, and it has proven to be an ideal medium for the settlement of exchange operations without the actual transfer of funds from one Federal Reserve Bank to another. Until July 1, 1918, settlements through the gold settlement fund were made weekly, but since that date they have been made daily.

Attached hereto as Schedule 22 is a table showing the total debits and credits of the Federal Reserve Bank of St. Louis through the gold settlement fund for each week during 1918, and also the balance to its credit each week in the fund.

#### BANKING QUARTERS.

The Federal Reserve Bank outgrew the quarters which it occupied a year ago, and in addition to its quarters on the second and fourth floors of the Federal Reserve Bank Building, it was necessary to take the second, third, fifth, and sixth floors of the building adjoining this building, so as to provide working space for the bank proper and the fiscal agency departments.

On December 18, 1918, the directors decided to secure permanent quarters for the bank and authorized, subject to the approval of the Federal Reserve Board, the purchase of the premises occupied by the St. Louis Union Trust Co. and the St. Louis Union Bank, on the northwest corner of Fourth and Locust Streets, having a frontage of 88 feet on the west side of Fourth Street and a frontage of 127 feet 3½ inches on the north side of Locust Street to an alley, and also three pieces of property contiguous to and immediately north of this property, thereby affording an additional frontage of 72 feet on Fourth Street, running back to the alley. This is a thoroughly satisfactory location for the Federal Reserve Bank, as it is convenient to all of the large downtown banks. The building is in good condition, and its interior can be rearranged at an extremely small cost to meet the requirements of the Federal Reserve Bank. It has one of the best and largest safe-deposit vaults west of the Mississippi River, which can be easily adapted to the use of the Federal Reserve Bank



and, in addition, there are a number of strong well-built money vaults which are now being used by the bank and the trust company. The purchase of these premises was approved by the Federal Reserve Board on December 27, 1918, and the deal is now being consummated.

EXHIBIT A.—*Movement of principal earning assets of the Federal Reserve Bank of St. Louis during the calendar year 1918.*

[In thousands of dollars: i. e., 000 omitted.]

	Dis- counted paper secured by United States war obli- gations.	Other dis- counted paper.	(1+2)	Bills bought in open market.	Total bills dis- counted and bought.	Per cent. (1÷5)	Total earning assets.
	1	2	3	4	5	6	7
Jan. 4.....	8,548	25,751	34,299	7,416	41,715	20.5	46,165
11.....	7,087	21,524	28,611	7,384	35,995	19.7	40,435
18.....	5,767	22,619	28,386	6,241	34,627	16.7	38,771
25.....	5,217	24,749	29,966	5,930	35,896	14.5	39,853
Feb. 1.....	6,877	25,147	32,024	5,727	37,751	18.2	41,611
8.....	7,144	24,826	31,970	5,213	37,183	19.2	41,143
15.....	5,378	18,237	23,615	5,431	29,046	18.5	32,869
21.....	5,451	16,019	21,470	6,323	27,793	19.6	31,629
Mar. 1.....	7,069	15,505	22,574	6,204	28,778	24.6	32,729
8.....	9,162	16,444	25,606	6,376	31,982	28.6	35,956
15.....	9,578	13,149	22,727	7,258	29,985	31.9	34,050
22.....	9,260	15,558	24,818	8,208	33,026	28.0	37,223
29.....	13,561	18,506	32,067	8,537	40,604	33.4	44,424
Apr. 5.....	15,202	19,881	35,083	11,150	46,233	32.9	49,107
12.....	11,785	18,880	30,665	10,793	41,458	28.4	44,578
19.....	19,042	20,116	39,158	11,090	50,248	37.9	53,451
26.....	24,695	18,961	43,656	11,381	55,037	44.9	58,072
May 3.....	19,229	21,016	40,245	10,944	51,189	37.6	54,358
10.....	19,480	24,372	43,852	8,999	52,851	36.9	55,796
17.....	20,241	8,909	29,150	7,697	36,847	54.9	39,715
24.....	13,039	17,775	30,814	6,955	37,769	34.5	40,571
31.....	13,851	17,406	31,257	6,643	37,900	36.5	40,674
June 7.....	16,508	22,777	39,285	5,959	45,244	36.5	48,018
14.....	22,951	24,782	47,733	4,803	52,536	43.7	55,284
21.....	23,606	22,751	46,357	3,775	50,132	47.1	52,880
28.....	30,427	33,814	64,241	3,121	67,362	45.2	70,106
July 5.....	30,653	33,829	64,482	2,948	67,430	45.5	69,984
12.....	26,060	27,458	53,527	2,962	56,489	46.1	59,043
19.....	29,916	27,234	57,150	2,493	59,643	50.2	62,198
26.....	30,145	29,521	59,666	2,373	62,039	48.6	64,593
Aug. 2.....	29,761	29,125	58,886	2,347	61,233	48.6	63,757
9.....	33,367	24,011	57,378	2,721	60,099	55.5	61,573
16.....	25,771	22,884	48,655	2,055	50,710	50.8	52,184
23.....	28,359	19,298	47,657	1,965	49,622	57.2	51,096
30.....	32,712	19,881	52,593	1,701	54,294	60.2	55,768
Sept. 6.....	35,471	24,316	60,787	1,644	62,431	58.4	63,996
13.....	38,847	24,972	63,819	1,600	65,419	59.4	66,893
20.....	44,763	23,455	68,218	1,829	70,047	63.9	72,521
27.....	50,293	26,888	77,181	2,000	79,181	63.5	81,655
Oct. 4.....	54,164	27,808	81,972	4,233	86,205	62.8	89,782
11.....	52,128	28,036	80,164	4,454	84,618	61.6	89,129
18.....	54,536	27,365	81,901	4,866	86,767	62.9	91,253
25.....	44,283	28,531	72,814	4,643	77,457	57.2	81,931
Nov. 1.....	54,162	32,084	86,246	3,717	89,963	60.2	95,187
8.....	54,264	31,255	85,519	3,399	88,918	61.0	95,141
15.....	52,234	29,289	81,523	3,102	84,625	61.7	90,848
22.....	42,984	34,064	77,048	3,429	80,477	53.4	86,700
29.....	47,819	32,233	80,052	3,756	83,808	57.1	90,529
Dec. 6.....	49,249	29,784	79,033	4,745	83,778	58.8	90,499
13.....	54,493	23,992	78,485	6,926	85,411	63.8	92,132
20.....	50,409	20,927	71,336	7,833	79,169	63.7	86,890
27.....	49,309	16,268	65,577	7,824	73,401	67.2	81,122

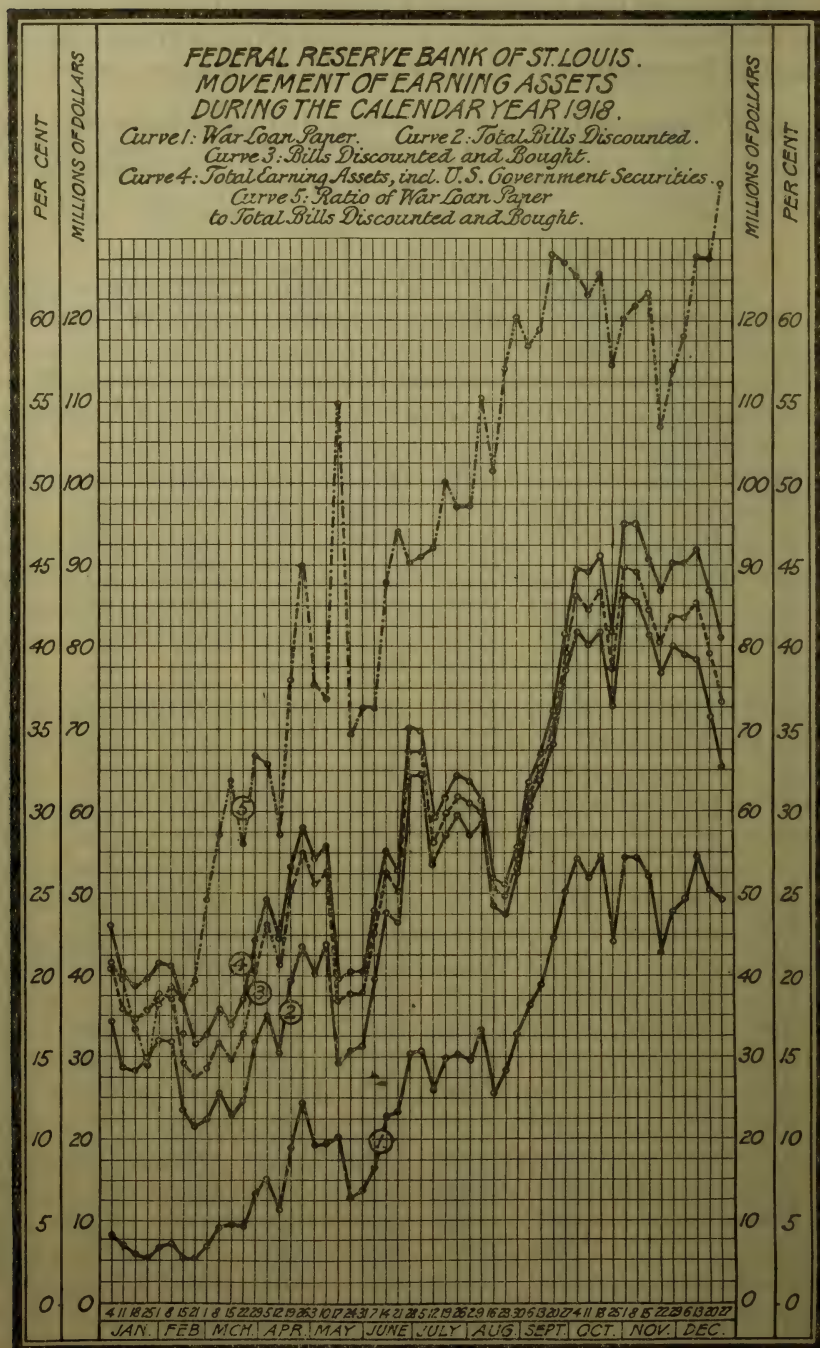
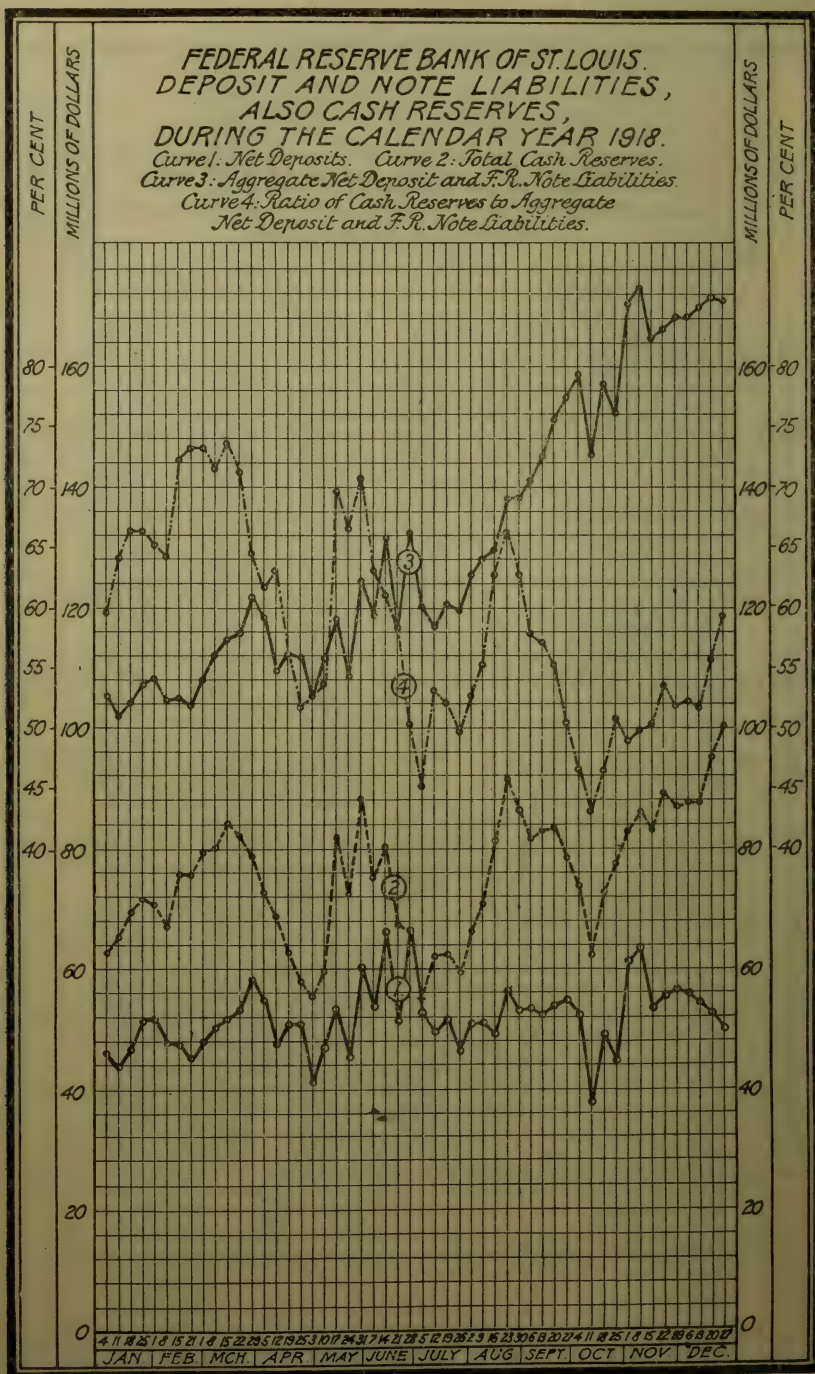


EXHIBIT B. *Movement of cash reserves, net deposits, Federal Reserve note liabilities, and the reserve percentage of the Federal Reserve Bank of St. Louis during the calendar year 1918.*

[In thousands of dollars; 1 c., 000 omitted.]

	Total cash reserves.	Net deposits.	Federal Reserve notes in actual circulation.	(2+3)	Ratio of cash reserves to net deposits and Federal Reserve note liabilities combined.
	1	2	3	4	5
Jan. 4	62,847	46,221	59,146	105,367	59.6
11	65,464	44,144	58,054	102,198	64.1
18	69,113	47,044	57,142	104,186	66.3
25	71,336	51,393	56,061	107,454	66.4
Feb. 1	70,518	51,993	56,379	108,372	65.1
8	67,165	48,120	56,383	104,509	64.3
15	75,948	47,745	57,265	105,010	72.3
21	75,971	45,297	58,445	103,742	73.2
Mar. 1	79,282	48,161	59,966	108,127	73.3
8	80,266	50,418	61,894	112,312	71.5
15	84,362	51,849	62,706	114,555	73.6
22	82,530	53,108	62,770	115,878	71.2
29	78,810	58,263	63,558	121,821	64.7
Apr. 5	72,959	54,722	63,349	118,071	61.8
12	68,987	47,893	61,671	109,564	63.0
19	62,866	51,067	61,228	112,295	56.0
26	57,879	51,072	60,867	111,939	51.7
May 3	55,365	41,542	64,124	105,666	52.4
10	59,638	47,165	64,198	111,363	53.6
17	82,150	53,396	64,446	117,842	69.7
24	72,407	45,559	63,276	108,835	66.5
31	88,493	60,342	64,716	125,058	70.8
June 7	75,055	53,863	65,004	118,867	63.1
14	89,268	66,426	64,921	131,347	61.1
21	67,901	51,434	65,211	116,645	58.2
28	66,510	66,641	65,662	132,303	50.3
July 5	54,401	52,945	67,617	120,562	45.1
12	62,263	49,337	67,932	117,269	53.1
19	62,987	51,758	69,314	121,072	52.0
26	59,235	46,911	72,726	119,637	49.5
Aug. 2	66,375	51,008	74,926	125,934	52.7
9	70,736	51,012	77,037	128,049	55.2
16	81,408	49,191	80,158	129,349	62.9
23	91,238	56,190	81,825	138,015	66.1
30	86,611	53,175	84,918	138,093	62.7
Sept. 6	81,829	53,592	87,705	141,297	57.9
13	83,065	52,536	92,806	145,402	57.1
20	83,533	53,908	97,294	151,202	55.2
27	78,252	54,734	100,170	154,904	50.5
Oct. 4	73,821	52,135	106,462	158,597	46.5
10	62,575	37,944	107,506	145,450	43.0
18	72,822	49,035	108,382	157,417	46.3
25	77,238	45,069	107,164	152,233	50.7
Nov. 1	83,031	61,637	108,542	170,179	48.8
8	86,146	63,852	109,188	173,040	49.8
15	83,196	53,354	111,636	164,990	50.4
22	89,008	55,387	110,935	166,322	53.5
29	87,202	56,698	111,403	168,101	51.9
Dec. 6	87,761	55,816	112,342	168,158	52.2
13	87,716	54,677	115,110	169,687	51.7
20	95,338	52,902	118,433	171,335	55.6
27	100,892	50,097	120,722	170,819	59.1





## SCHEDULE 1.—Comparative profit and loss statement, 1917-18.

	Jan. 1, 1917, to Dec. 31, 1917.	Jan. 1, 1918, to Dec. 31, 1918.
<b>Earnings from—</b>		
Bills discounted—members.....	\$347,871.10	\$2,197,795.40
Bills discounted—Federal Reserve Banks.....	10,357.40	20,273.21
Bills purchased—acceptances.....	170,233.26	226,163.86
United States securities.....	110,300.98	89,096.26
Municipal warrants.....	13,691.40	.....
Exchange.....	57,919.95	48,209.16
Bill of lading drafts.....	7,492.56	5,703.16
Depleted reserve penalties.....	14,968.34	52,106.85
Sundry profits.....	1,203.26	11,404.14
Transit department income.....	4,665.13	26,076.31
<b>Total earnings.....</b>	<b>738,713.38</b>	<b>2,676,828.35</b>
<b>Expenses:</b>		
Current expenses—		
Operating.....	\$174,461.12	\$472,885.40
Charged off.....	.....	87,391.10
Federal Reserve Board assessments.....	12,733.22	18,397.54
Cost of Federal Reserve currency.....	49,363.00	147,347.07
	<b>236,557.34</b>	<b>726,021.11</b>
<b>Profit on operation.....</b>	<b>502,156.04</b>	<b>1,950,807.24</b>
Dividends paid during year.....	284,565.61	404,837.60
Reserve for depreciation, United States securities.....	.....	172,997.00
Reserve for franchise tax.....	.....	801,655.61
	<b>284,565.61</b>	<b>1,379,490.21</b>
<b>Undivided profits for year.....</b>	<b>217,590.43</b>	<b>571,317.03</b>
Undivided profits, previous years.....	12,748.15	230,338.58
<b>Total undivided profits.....</b>	<b>230,338.58</b>	<b>801,655.61</b>
Surplus.....	.....	.....

## SCHEDULE 2.—Comparative balance sheets, 1917-18.

	Dec. 31, 1917.	Dec. 31, 1918.
<b>RESOURCES.</b>		
Bills discounted, members.....	\$28,584,397.60	\$70,702,653.85
Bills discounted, other Federal Reserve Banks.....	4,875,838.00	.....
Bills bought in open market.....	7,362,724.15	17,293,087.96
Bill of lading drafts.....	566,536.89	.....
United States bonds.....	2,233,400.00	1,153,400.00
United States gold notes.....	1,444,000.00	.....
United States certificates of indebtedness securing circulation.....	.....	6,568,000.00
<b>Total earning assets.....</b>	<b>45,066,806.64</b>	<b>85,717,141.81</b>
Premium on United States bonds.....	6,353.15	.....
Interest accrued on United States bonds.....	24,850.94	33,499.35
Furniture and equipment.....	44,498.74	.....
Cost of unissued Federal Reserve notes.....	16,166.61	.....
Expenses paid in advance.....	1,526.51	8,551.80
Due from member banks' overdrafts.....	.....	.....
Expenses due as fiscal agent from United States Treasury.....	121,849.47	448,223.89
<b>Total.....</b>	<b>218,315.42</b>	<b>490,275.04</b>
<b>Due from Federal Reserve Banks.....</b>	<b>36,678,287.04</b>	<b>24,892,196.40</b>
Due from branches.....	261,950.52	.....
Deferred debits, transient account.....	13,715,178.67	13,839,536.66
Exchange for clearing house.....	514,252.43	1,735,820.86
<b>Total deductions from gross deposits.....</b>	<b>51,169,668.66</b>	<b>40,467,553.92</b>
Gold coin and gold certificates.....	5,089,137.50	4,056,010.00
Gold settlement fund.....	17,884,000.00	12,474,034.52
Gold redemption fund, United States Treasurer.....	929,900.00	3,369,850.00
Gold deposited with Federal Reserve agent.....	32,366,430.00	66,673,935.00
Sterling gold account.....	2,100,000.00	233,154.97
Other lawful money.....	766,626.50	2,449,950.40
<b>Total reserve cash.....</b>	<b>59,136,094.00</b>	<b>89,256,994.89</b>
<b>Due from Treasurer United States, Federal Reserve bank-note redemption fund.....</b>	<b>.....</b>	<b>317,400.00</b>
<b>National bank notes and Federal Reserve notes, other banks.....</b>	<b>2,047,705.00</b>	<b>3,921,420.00</b>

## SCHEDULE 2.—Comparative balance sheets, 1917-18—Continued.

	Dec. 31, 1917.	Dec. 31, 1918.
RESOURCES—continued.		
Federal Reserve notes on hand.....	\$1,980,400.00	\$9,082,835.00
Federal Reserve bank notes on hand.....		224,000.00
Nickels and cents.....	787.24	18,608.39
Total other cash.....	4,028,892.24	13,564,263.39
Total resources.....	159,619,896.96	229,496,229.05
LIABILITIES.		
Capital paid in.....	3,474,600.00	3,799,600.00
Surplus.....		801,655.61
Undivided profits.....	230,338.58	
Unearned discount and interest.....	133,422.20	149,980.73
Reserve for sundry expenses.....	853.65	5,898.75
Reserve for depreciation on United States securities.....		172,997.00
Reserve for franchise tax.....		801,655.61
Gold settlement fund suspense.....		776.89
United States Government deposits.....	5,430,359.99	3,333,007.84
Due to Federal Reserve Banks.....	30,445,011.49	7,484,495.01
Due to member banks.....	45,796,967.60	52,830,678.16
Due to nonmember banks' clearing account.....	93,432.34	201,070.66
Deferred credits, transit department.....	11,954,257.21	20,425,347.21
Dividend and expense checks.....	197,223.90	1,750,667.31
Due to branches.....		2,178,523.27
Gross deposits.....	93,917,252.53	88,203,789.46
Federal Reserve notes issued.....	61,863,430.00	129,119,875.00
Federal Reserve bank notes issued, secured by United States securities.....		6,440,000.00
Total liabilities.....	159,619,896.96	229,496,229.05



SCHEDULE 3.—Volume of the different classes of paper discounted by Federal Reserve Bank of St. Louis and by each of its branches each month during 1918.

	January.	February.	March.	April.	May.	June.	July.
<b>ST. LOUIS PARENT BANK.</b>							
Member banks' collateral notes secured by Government obligations.....	\$8,905,100.00	\$9,447,382.66	\$20,348,483.00	\$36,022,091.00	\$31,302,841.00	\$54,186,150.00	\$63,160,267.00
Member banks' collateral notes otherwise secured.....	25,772,950.33	75,000.00	50,000.00	21,408,480.39	20,214,244.25	32,915,216.32	110,000.00
Commercial paper otherwise secured and unsecured.....	15,000.00	16,806,758.97	1,688,293.02	177,000.00	515,164.16	1,252,519.12	31,629,969.61
Commercial paper secured by Government obligations.....	1,108,623.82	1,754,782.84	2,288,661.03	1,491,415.04	947,941.65	861,406.26	868,215.42
Trade acceptances.....							1,172,499.33
<b>Total.....</b>	<b>35,851,674.15</b>	<b>28,580,954.43</b>	<b>30,028,254.50</b>	<b>59,098,986.43</b>	<b>52,980,191.26</b>	<b>89,310,351.70</b>	<b>96,917,852.86</b>
<b>LOUISVILLE BRANCH.</b>							
Member banks' collateral notes secured by Government obligations.....	458,000.00	147,500.00	150,500.00	1,571,700.00	2,271,100.00	1,835,600.00	5,669,800.00
Member banks' collateral notes otherwise secured.....	1,642,569.16	1,622,506.14	495,836.67	2,171,313.09	3,963,517.12	3,179,615.97	2,735,707.39
Commercial paper, otherwise secured and unsecured.....	244,964.76			3,033.75	79,097.50	50,631.90	40,264.08
Commercial paper secured by Government obligations.....			128,818.98	147,853.57	257,346.06	248,376.84	182,272.67
<b>Total.....</b>	<b>2,345,533.92</b>	<b>1,770,006.14</b>	<b>775,155.65</b>	<b>3,893,900.41</b>	<b>6,574,060.68</b>	<b>5,314,224.71</b>	<b>8,118,034.34</b>
<b>Member banks' collateral notes secured by Government obligations.....</b>							
Member banks' collateral notes otherwise secured.....	9,363,100.00	9,594,882.66	20,498,983.00	37,593,791.00	33,576,941.00	56,021,750.00	68,264,087.30
Commercial paper, otherwise secured and unsecured.....	27,415,519.49	18,429,285.11	15,798,654.21	23,579,703.48	24,177,761.37	36,094,832.29	110,000.00
Commercial paper secured by Government obligations.....	309,964.76	497,029.96	1,688,293.02	180,033.75	594,261.66	1,366,151.02	34,425,417.29
Trade acceptances.....	1,108,623.82	1,754,782.84	2,367,480.01	1,639,268.61	1,205,287.91	1,168,843.10	868,215.42
<b>Grand total.....</b>	<b>38,197,208.07</b>	<b>30,350,960.57</b>	<b>40,403,410.24</b>	<b>62,992,886.84</b>	<b>59,554,251.94</b>	<b>94,624,576.41</b>	<b>105,085,887.29</b>

SCHEDULE 3.—*Volume of the different classes of paper discounted by Federal Reserve Bank of St. Louis and by each of its branches each month during 1918—Continued.*

	August.	September.	October.	November.	December.	Total.
<b>ST. LOUIS PARENT BANK.</b>						
Member banks' collateral notes secured by Government obligations.	\$66,098,883.00	\$75,066,250.00	\$99,919,800.00	\$97,676,375.00	\$93,309,708.00	\$655,482,330.66
Member banks' collateral notes otherwise secured.	50,000.00	100,000.00	542,500.00	325,000.00	100,000.00	1,447,500.00
Commercial paper otherwise secured and unsecured.	17,292,826.34	21,882,186.25	24,779,813.97	19,071,878.60	3,799,538.50	250,786,631.07
Commercial paper secured by Government obligations.	731,644.00	326,744.13	821,233.93	1,720,691.92	1,858,674.32	10,470,220.48
Trade acceptances.	502,012.16	928,875.97	740,088.62	169,664.94	424,922.04	12,345,914.90
<b>Total</b>	<b>84,585,365.50</b>	<b>98,304,066.35</b>	<b>126,803,446.52</b>	<b>118,963,610.46</b>	<b>99,507,842.86</b>	<b>930,532,597.11</b>
<b>LOUISVILLE BRANCH.</b>						
Member banks' collateral notes secured by Government obligations.	5,193,300.00	6,736,800.00	9,988,000.00	12,862,900.00	7,769,900.00	54,088,100.00
Member banks' collateral notes otherwise secured.	2,114,669.14	440,702.27	2,161,602.85	2,197,224.64	3,223,340.42	26,008,605.06
Commercial paper, otherwise secured and unsecured.	5,075.00	18,618.87	325,832.82	199,719.08	457,543.68	1,424,811.44
Commercial paper secured by Government obligations.	161,239.06	30,000.00	551,472.89	209,435.14	.....	1,916,775.21
<b>Total</b>	<b>7,474,283.20</b>	<b>7,226,121.14</b>	<b>13,026,908.56</b>	<b>15,469,278.86</b>	<b>11,450,784.10</b>	<b>83,438,291.71</b>
<b>MEMPHIS BRANCH.</b>						
Member banks' collateral notes secured by Government obligations.	.....	8,291,500.00	11,164,500.00	17,384,000.00	17,806,000.00	54,646,000.00
Member banks' collateral notes otherwise secured.	.....	3,373,270.95	3,156,827.60	2,689,369.18	4,011,581.02	13,231,048.75
Commercial paper, otherwise secured and unsecured.	.....	522,750.00	315,736.25	352,600.00	679,700.00	1,870,806.25
Commercial paper secured by Government obligations.	.....	131,527.03	432,080.49	665,893.92	189,008.96	1,418,510.40
Trade acceptances.	.....	12,319,047.98	15,069,164.34	21,091,863.10	22,686,289.98	71,166,365.40
<b>Total</b>	<b>.....</b>	<b>90,094,550.00</b>	<b>121,072,300.00</b>	<b>127,923,275.00</b>	<b>118,885,608.00</b>	<b>764,216,430.66</b>
Member banks' collateral notes secured by Government obligations.	71,292,183.00	100,000.00	542,500.00	325,000.00	100,000.00	1,447,500.00
Member banks' collateral notes otherwise secured.	50,000.00	100,000.00	542,500.00	325,000.00	100,000.00	1,447,500.00
Commercial paper, otherwise secured and unsecured.	19,317,495.48	25,686,169.47	30,098,244.42	23,958,472.42	11,034,459.94	280,026,284.88
Commercial paper secured by Government obligations.	736,719.00	888,113.00	1,462,833.00	2,273,011.00	3,005,918.00	13,765,838.17
Trade acceptances.	663,251.22	1,090,403.00	1,723,642.00	1,044,994.00	618,931.00	15,681,200.51
<b>Grand total</b>	<b>92,059,648.70</b>	<b>117,849,235.47</b>	<b>154,899,519.42</b>	<b>155,524,752.42</b>	<b>133,644,916.94</b>	<b>1,085,137,254.22</b>

SCHEDULE 4.—Volume of paper discounted for the member banks in each State each month and the number of different banks in each State discounting during 1918.

	January.	February.	March.	April.	May.	June.	July.
Arkansas.....	\$1,556,922.63	\$2,256,817.83	\$2,777,638.80	\$2,464,801.84	\$2,346,585.92	\$2,973,025.92	\$3,918,477.16
Illinois.....	341,117.03	374,246.99	372,035.24	3,244,488.68	7,005,879.23	6,463,530.66	2,605,949.66
Indiana.....	857,566.60	598,700.00	887,000.00	3,974,829.31	6,699,131.76	2,108,500.00	4,182,623.58
Kentucky.....	2,271,433.92	1,700,306.14	661,155.65	3,810,400.41	6,129,928.92	5,015,724.71	7,584,765.30
Mississippi.....	81,973.95	195,217.12	167,470.56	77,000.00	287,550.70	586,550.00	624,475.13
Missouri.....	28,565,796.80	23,554,332.64	31,068,443.54	49,782,978.16	40,851,272.54	73,144,032.13	79,119,465.50
Tennessee.....	4,522,397.14	1,671,339.85	4,469,666.45	2,638,388.44	2,323,902.87	4,333,192.99	6,725,710.87
Total.....	38,197,208.07	30,350,960.57	40,403,410.24	62,992,886.84	59,554,251.94	94,624,576.41	105,035,887.20
	August.	September.	October.	November.	December.	Total amount discounted during 1918.	Total number of banks discounting. Dec. 31, 1918.
Arkansas.....	\$5,434,385.47	\$10,227,203.01	\$11,105,388.83	\$8,535,540.26	\$6,637,877.85	\$61,234,665.52	61
Illinois.....	1,660,510.47	3,790,237.50	11,027,978.91	6,305,444.09	3,485,792.09	46,677,210.55	61
Indiana.....	3,224,068.73	3,639,026.18	4,901,113.85	4,334,986.59	2,037,555.00	28,356,101.60	26
Kentucky.....	7,196,968.20	6,900,621.14	12,526,808.56	15,154,028.86	11,350,784.10	80,572,945.91	40
Mississippi.....	574,555.94	975,046.69	1,174,139.82	767,000.00	851,272.59	6,362,252.50	16
Missouri.....	64,830,155.64	81,874,561.76	101,098,064.93	101,313,242.73	88,071,491.96	763,274,258.33	54
Tennessee.....	8,139,004.25	10,442,539.19	13,066,024.52	19,114,509.89	21,210,143.35	98,660,819.81	20
Total.....	92,059,648.70	117,849,235.47	154,899,519.42	155,524,752.42	133,644,916.94	1,085,137,254.22	278
Total.....							513



SCHEDULE 5.—Discount rates of the Federal Reserve Bank of St. Louis during 1918.

In effect—	15-day collateral notes.		Rediscounts secured by Liberty bonds or certificates of indebtedness.				Rediscounts, commercial paper.				Agricultural and live-stock paper.				Trade acceptances.			
	Secured by Liberty bonds or certificates of indebtedness.		Secured by bills receivable.		15 days.		30 days.		60 days.		90 days.		15 days.		30 days.		60 days.	
	3½	4	3½	4	15	30	45	60	75	90	105	120	15	30	45	60	75	90
Jan. 1, 1918.....	3½	4	3½	4	15	30	45	60	75	90	105	120	15	30	45	60	75	90
Apr. 8, 1918.....	4	4	4	4	15	30	45	60	75	90	105	120	15	30	45	60	75	90
Dec. 31, 1918.....	4	4	4	4	15	30	45	60	75	90	105	120	15	30	45	60	75	90

<sup>1</sup> On Oct. 5 a special rate of 4 per cent was established for paper with 16 to 90 day maturity, secured by fourth Liberty bonds, provided such paper was taken by the member bank at a rate not in excess of the fourth Liberty loan coupon rate of 4½ per cent.

SCHEDULE 6.—Acceptances purchased by the Federal Reserve Bank of St. Louis and by each of its branches each month during 1918.

	January.	February.	March.	April.	May.	June.	July.
St. Louis, parent bank:							
From member banks and dealers.....	\$1,517,314.52	\$3,597,195.70	\$4,688,173.69	\$1,334,014.06	\$1,786,190.51	\$750,634.98	\$1,021,389.74
From New York Federal Reserve Bank.....			2,526,276.07				
Total.....							
Memphis branch:							
From member banks.....	7,132.92	67,954.80	20,849.79	447,241.23	6,826.97	9,920.11	
Louisville branch:							
From member banks.....	1,524,447.44	3,665,150.50	4,714,023.48	1,781,255.29	1,793,017.48	760,555.09	1,021,389.74
Total from banks and dealers.....			2,526,276.07				
Total from other Federal Reserve Banks.....							
Grand total.....	1,524,447.44	3,665,150.50	7,240,299.55	1,781,255.29	1,793,017.48	760,555.09	1,021,389.74

	August.	September.	October.	November.	December.	Total.
St. Louis, parent bank:						
From member banks and dealers	\$880,000.00	\$240,000.00	\$1,691,491.52	\$1,443,155.78	\$5,516,162.67	\$24,470,723.17
From New York Federal Reserve Bank			2,025,237.47			4,531,513.54
Total						29,022,236.71
Memphis branch:						
From member banks		160,000.00	640,488.75		20,000.00	820,488.75
Louisville branch:						
From member banks	40,225.00	154,456.90	45,300.00	5,000.00		804,907.72
Total from banks and dealers	920,225.00	554,456.90	2,377,280.27	1,448,155.78	5,536,162.67	26,096,119.64
Total from other Federal Reserve Banks			2,025,237.47			4,531,513.54
Grand total	920,225.00	554,456.90	4,402,517.74	1,448,155.78	5,536,162.67	30,647,633.18

SCHEDULE 7.—*State banks and trust companies admitted to membership in Federal Reserve Bank of St. Louis during 1918.*

Date of admission.	Name.	Location.	Capital and surplus.	Total resources.
Aug. 23	Farmers Bank & Trust Co.....	Blytheville, Ark....	\$75,000.00	\$563,118.85
May 6	Security Bank & Trust Co.....	Helena, Ark.....	150,000.00	1,873,256.76
Aug. 2	Bank of Jonesboro.....	Jonesboro, Ark.....	300,000.00	2,067,857.00
Nov. 2	Jonesboro Trust Co.....	do.....	150,000.00	927,639.00
July 30	Bankers Trust Co.....	Little Rock, Ark....	255,403.00	2,244,217.00
Aug. 21	Bank of Commerce.....	do.....	450,000.00	4,082,535.00
May 2	Mercantile Trust Co.....	do.....	360,000.00	1,864,691.00
Aug. 9	Southern Trust Co.....	do.....	600,000.00	3,417,445.00
Aug. 21	Union Trust Co.....	do.....	400,000.00	3,091,887.00
Mar. 25	Merchants & Planters Bank.....	Texarkana, Ark....	210,000.00	1,130,085.00
Mar. 20	Illinois State Bank.....	East St. Louis, Ill..	400,000.00	3,149,355.00
Feb. 18	Citizens State & Trust Bank.....	Edwardsville, Ill..	93,000.00	688,985.00
July 31	Gillespie Trust & Savings Bank.....	Gillespie, Ill.....	65,000.00	536,859.00
Nov. 6	State Bank of Hoiles & Sons.....	Greenville, Ill.....	130,000.00	1,153,117.00
Aug. 21	Litchfield Bank & Trust Co.....	Litchfield, Ill.....	110,000.00	615,801.00
Sept. 3	Mercantile-Commercial Bank.....	Evansville, Ind.....	300,000.00	2,483,706.00
Oct. 25	State Bank & Trust Co.....	Harrodsburg, Ky....	121,000.00	608,677.00
Dec. 28	Farmers & Merchants Bank.....	Hickman, Ky.....	122,500.00	446,446.00
Nov. 1	Kentucky Title Savings Bank & Trust Co.....	Louisville, Ky.....	415,000.00	6,703,035.00
Sept. 12	Central Trust Co.....	Owensboro, Ky.....	234,000.00	1,403,590.00
Nov. 6	Pike County Bank.....	Bowling Green, Mo..	30,000.00	216,764.00
Feb. 20	Exchange Bank.....	Jefferson City, Mo..	120,000.00	1,111,788.00
Aug. 21	Lafayette County Trust Co.....	Lexington, Mo.....	90,000.00	198,142.00
Nov. 1	Camden County Bank.....	Linn Creek, Mo.....	60,000.00	252,098.00
Mar. 27	State Exchange Bank.....	Macon, Mo.....	120,000.00	817,544.00
Jan. 22	Wood & Huston Bank.....	Marshall, Mo.....	250,000.00	1,485,071.00
Mar. 30	American Trust Co.....	St. Louis, Mo.....	1,115,000.00	8,967,883.41
Oct. 29	Farmers & Merchants Trust Co.....	do.....	222,500.00	1,980,844.00
May 17	Bank of Commerce & Trust Co.....	Memphis, Tenn.....	2,500,000.00	20,009,436.00
Feb. 20	Guaranty Bank & Trust Co.....	do.....	500,000.00	620,000.00
Aug. 21	Commercial Trust & Savings Bank.....	do.....	450,000.00	5,782,735.00

SCHEDULE 8.—*National banks granted fiduciary powers under section 11 (k) of the Federal Reserve Act during 1918.*

Citizens National Bank, Eldorado, Ark., authorized to act as trustee, executor, administrator, and registrar of stocks and bonds.

First National Bank, Belleville, Ill., authorized to act as trustee, executor, administrator, guardian of estates, assignee, and receiver.

First National Bank, Mount Sterling, Ill., authorized to act as trustee, executor, administrator, and registrar of stocks and bonds.

First National Bank, Murphysboro, Ill., authorized to act as trustee, executor, administrator, registrar of stocks and bonds, guardian of estates, assignee, and receiver.

Ricker National Bank, Quincy, Ill., authorized to act as trustee, executor, administrator, guardian of estates, assignee, and receiver.

United States National Bank, Owensboro, Ky., authorized to act as trustee, executor, administrator, and registrar of stocks and bonds.

First National Bank, Paducah, Ky., authorized to act as trustee, executor, and administrator.

First National Bank, Greenville, Miss., authorized to act as trustee, executor, administrator, and registrar of stocks and bonds.

Third National Bank, St. Louis, Mo., authorized to act as trustee, executor, administrator, and registrar of stocks and bonds.

SCHEDULE 9.—*Treasury certificates of indebtedness issued in anticipation of third Liberty loan.*

Date of issue.	Maturity.	Total offering.	Quota for district.	Subscription.
Jan. 22, 1918.....	Apr. 22, 1918.....	\$400,000,000	\$12,000,000	\$18,090,000
Feb. 8, 1918.....	May 9, 1918.....	500,000,000	25,000,000	20,064,000
Feb. 27, 1918.....	May 28, 1918.....	500,000,000	25,000,000	25,709,000
Mar. 20, 1918.....	June 18, 1918.....	500,000,000	25,000,000	22,842,000
Apr. 10, 1918.....	July 9, 1918.....	500,000,000	25,000,000	21,181,000
Apr. 22, 1918.....	July 18, 1918.....	500,000,000	23,000,000	25,698,500
Total.....		2,900,000,000	135,000,000	133,584,500



SCHEDULE 9.—*Treasury certificates of indebtedness issued in anticipation of third Liberty loan—Continued.*

## ANALYSIS OF SUBSCRIPTIONS.

Class of banks.	Total banks in district.	Number of banks subscribing.	Percentage of banks.	Amount of subscription.
National banks.....	472	458	97.03	\$64,025,500
State banks.....	2,192	1,623	74.04	46,194,000
Trust companies.....	225	176	78.22	20,281,500
Private banks.....	231	119	50.85	2,560,500
Total.....	3,123	2,376	76.07	133,067,500
Subscription of 18 individuals, corporations, etc.....				517,000
Total subscriptions.....				133,584,500

SCHEDULE 10.—*Treasury certificates of indebtedness issued in anticipation of fourth Liberty loan.*

Date of issue.	Maturity.	Total offering.	Quota for district.	Subscription.
June 25, 1918.....	Oct. 24, 1918.....	\$750,000,000	\$30,000,000	\$34,654,000
July 9, 1918.....	Nov. 7, 1918.....	750,000,000	30,000,000	31,260,500
July 23, 1918.....	Nov. 21, 1918.....	500,000,000	20,000,000	25,952,500
Aug. 6, 1918.....	Dec. 5, 1918.....	500,000,000	20,000,000	24,056,000
Sept. 3, 1918.....	Jan. 2, 1919.....	500,000,000	20,000,000	25,501,500
Sept. 17, 1918.....	Jan. 16, 1919.....	600,000,000	24,000,000	24,178,500
Oct. 1, 1918.....	Jan. 30, 1919.....	500,000,000	20,000,000	21,360,000
Total.....		4,100,000,000	164,000,000	186,963,000

## ANALYSIS OF SUBSCRIPTIONS.

Class of banks.	Total banks in district.	Number of banks subscribing.	Percentage of banks.	Amount of subscription.
National banks.....	468	461	98.50	\$79,922,000
State banks.....	2,167	1,944	89.71	72,675,000
Trust companies.....	227	202	88.99	29,310,000
Private banks.....	231	194	83.98	4,877,000
Total.....	3,093	2,801	90.56	186,784,000
Subscription of 15 individuals, corporations, etc.....				179,000
Total.....				186,963,000

SCHEDULE 11.—*Treasury certificates of indebtedness issued in anticipation of fifth Liberty loan.*

Date of issue.	Maturity.	Total offering.	Quota for district.	Subscription.
Dec. 5, 1918.....	May 6, 1919.....	\$600,000,000	\$24,000,000	\$24,231,500
Dec. 19, 1918.....	May 20, 1919.....	500,000,000	20,000,000	21,319,500
Total.....		1,100,000,000	44,000,000	45,551,000

## ANALYSIS OF SUBSCRIPTIONS.

Class of banks.	Total banks in district.	Number of banks subscribing.	Percentage of banks.	Amount of subscription.
National banks.....	471	371	78.76	\$20,383,500
State banks.....	2,179	1,130	51.85	16,803,500
Trust companies.....	218	128	58.71	6,980,500
Private banks.....	225	128	56.88	1,362,500
Total.....	3,093	1,757	56.80	45,530,000
Subscription of seven individuals, corporations, etc.....				21,000
Total.....				45,551,000

## SCHEDULE 12.—Offerings of tax certificates during 1918 and the subscriptions received from District No. 8 to each.

IN ANTICIPATION OF TAXES DUE JUNE 15, 1918.

Date of issue.	Maturity.	Subscription.
Jan. 2, 1918.....	June 25, 1918.....	\$11,168,500
Feb. 15, 1918.....	do.....	1,661,500
Mar. 15, 1918.....	do.....	2,063,500
Apr. 15, 1918.....	do.....	901,500
May 15, 1918.....	do.....	3,075,000
Total.....		18,870,000

IN ANTICIPATION OF TAXES DUE IN 1919.

Aug. 20, 1918.....	July 15, 1919.....	\$4,712,000
Nov. 7, 1918.....	Mar. 15, 1919.....	17,109,500
Total.....		21,821,500

## SCHEDULE 13.—Third Liberty loan.

[Amount, \$3,000,000,000; dated May 9, 1918; due Sept. 15, 1928; rate, 4½ per cent.]

State.	Quota.	Subscriptions (allotted in full).	Number of subscribers.
Arkansas.....	\$15,351,550	\$22,714,450	163,015
Illinois.....	18,158,050	31,633,600	190,430
Indiana.....	9,137,300	13,909,450	74,838
Kentucky.....	15,943,550	28,389,900	134,052
Mississippi.....	7,114,700	9,726,850	54,388
Missouri:			
St. Louis.....	39,107,350	44,608,050	242,804
Elsewhere.....	21,508,450	37,856,750	264,760
Tennessee.....	9,620,000	10,996,850	61,422
Total.....	130,000,000	199,835,900	1,185,709

## ANALYSIS OF SUBSCRIPTIONS.

Class of banks.	Number of banks in district.	Number of banks sub- scribing.	Percentage of banks sub- scribing.	Amount of subscriptions.
National banks.....	464	464	100.00	\$69,205,300
State banks.....	2,167	2,153	99.35	91,537,350
Trust companies.....	216	212	98.14	33,010,600
Private banks.....	219	215	98.12	5,888,900
Total.....	3,066	3,044	98.27	199,642,150
Subscriptions of 70 individuals, corporations, etc.....				193,750
Total subscriptions.....				199,835,900

## ANALYSIS OF PAYMENTS.

	Cash.	Credit.	Certificates of indebtedness.	Total.
National banks.....	\$14,026,720.95	\$30,550,526.55	\$24,628,052.50	\$69,205,300
State banks.....	31,747,750.67	39,329,106.83	20,460,492.50	91,537,350
Trust companies.....	7,502,413.08	18,085,361.92	7,422,825.00	33,010,600
Private banks.....	2,909,970.80	1,454,549.20	1,524,380.00	5,888,900
Individuals, corporations, etc.....	103,447.50	2,052.50	88,250.00	193,750
Total.....	56,290,303.00	89,421,597.00	54,124,000.00	199,835,900

SCHEDULE 14.—*Fourth Liberty loan.*

[Amount, \$6,000,000,000; dated Oct. 24, 1918; due Oct. 15, 1938; rate, 4½ per cent.]

State.	Quota.	Subscriptions (allotted in full).	Number of subscribers.
Arkansas.....	\$23,842,000	\$26,657,650	152,111
Illinois.....	40,927,000	44,296,550	258,282
Indiana.....	18,765,000	20,672,700	98,446
Kentucky.....	37,379,000	39,848,300	176,789
Mississippi.....	13,498,000	14,771,050	61,285
Missouri:			
St. Louis.....	75,856,900	79,009,800	287,654
Elsewhere.....	47,553,100	51,790,250	296,113
Tennessee.....	18,238,000	18,283,450	64,619
<b>Total.....</b>	<b>260,000,000</b>	<b>295,329,750</b>	<b>1,395,299</b>

## ANALYSIS OF SUBSCRIPTIONS.

Class of banks.	Number of banks in district.	Number of banks sub- scribing.	Percentage of banks sub- scribing.	Amount of subscription.
National banks.....	467	466	99.786	\$104,614,650
State banks.....	2,163	2,144	99.122	127,376,100
Trust companies.....	225	221	98.222	53,164,000
Private banks.....	232	228	98.275	7,690,300
<b>Total.....</b>	<b>3,087</b>	<b>3,059</b>	<b>99.093</b>	<b>292,845,050</b>
Subscriptions of 52 individuals, corporations, etc.....				2,484,700
<b>Total subscriptions.....</b>				<b>295,329,750</b>

## ANALYSIS OF PAYMENTS.

	Cash.	Credit.	Certificates of indebtedness.	Total.
National banks.....	\$15,612,867.08	\$45,912,462.92	\$32,621,770	\$94,147,100
State banks.....	29,798,002.56	49,934,277.44	37,434,495	117,166,775
Trust companies.....	6,073,003.00	34,746,737.00	8,877,010	49,696,750
Private banks.....	2,716,650.00	1,243,800.00	3,339,725	7,300,175
Individuals, corporations, etc.....	113,475.00	2,121,750.00	1,000	2,236,225
<b>Total.....</b>	<b>54,313,997.64</b>	<b>133,959,027.36</b>	<b>82,274,000</b>	<b>270,547,025</b>
Balance not yet due on \$49,570,450, being paid on Government plan.....				24,782,725
<b>Total payments.....</b>				<b>295,329,750</b>

SCHEDULE 15.—*Denominations and amounts of Federal Reserve notes issued by Federal Reserve agent to the Federal Reserve Bank of St. Louis each month during 1918, and the totals from Nov. 16, 1914, to Dec. 31, 1918.*

Month.	Fives.	Tens.	Twenties.	Fifties.	Hundreds.	Total.
January.....	\$100,000	.....	\$500,000	\$100,000	\$450,000	\$1,150,000
February.....	550,000	\$1,810,000	2,280,000	400,000	250,000	5,290,000
March.....	955,000	2,000,000	2,560,000	200,000	150,000	5,865,000
April.....	480,000	280,000	720,000	.....	.....	1,480,000
May.....	1,240,000	2,800,000	1,040,000	.....	.....	5,080,000
June.....	1,860,000	920,000	1,120,000	390,000	200,000	4,490,000
July.....	3,540,000	4,560,000	6,720,000	300,000	200,000	15,320,000
August.....	3,820,000	4,640,000	5,840,000	700,000	1,000,000	16,000,000
September.....	5,060,000	4,920,000	4,880,000	1,000,000	.....	15,860,000
October.....	1,400,000	2,100,000	3,040,000	400,000	200,000	7,140,000
November.....	.....	2,400,000	5,280,000	400,000	600,000	8,680,000
December.....	2,640,000	4,870,000	7,340,000	600,000	800,000	16,250,000
<b>Total issued during 1918..</b>	<b>21,645,000</b>	<b>31,300,000</b>	<b>41,320,000</b>	<b>4,490,000</b>	<b>3,850,000</b>	<b>102,605,000</b>
<b>Total issued from Nov. 16, 1914, to Dec. 31, 1917.....</b>	<b>18,632,950</b>	<b>28,672,940</b>	<b>23,452,160</b>	<b>2,960,050</b>	<b>2,550,000</b>	<b>76,268,100</b>
<b>Total issued up to Dec. 31, 1918.....</b>	<b>40,277,950</b>	<b>59,972,940</b>	<b>64,772,160</b>	<b>7,450,050</b>	<b>6,400,000</b>	<b>178,873,100</b>



SCHEDULE 16.—*Amounts of Federal Reserve notes of the several denominations received from other Federal Reserve Banks for redemption or credit and returned to other Federal Reserve Banks for redemption or credit by the Federal Reserve Bank of St. Louis during 1918.*

Exchanged with Federal Reserve Bank of—	Fives.		Tens.		Twenties.	
	Received.	Returned.	Received.	Returned.	Received.	Returned.
Boston.....	\$52,200	\$68,075	\$203,700	\$237,550	\$110,800	\$85,620
New York.....	484,500	611,645	1,295,000	1,485,890	995,400	1,215,140
Philadelphia.....	89,000	99,740	279,500	290,230	241,500	321,820
Cleveland.....	39,000	273,360	128,500	928,600	148,000	1,161,960
Richmond.....	33,000	151,445	209,500	274,280	101,000	415,700
Atlanta.....	595,780	856,630	843,950	1,394,490	800,280	1,328,820
Chicago.....	1,353,500	1,343,295	2,157,000	3,691,670	1,344,000	5,598,100
St. Louis.....						
Minneapolis.....	59,500	281,515	120,000	403,780	90,000	372,820
Kansas City.....	310,500	2,099,510	465,000	1,926,570	202,000	2,132,380
Dallas.....	266,750	1,052,210	648,500	1,472,360	534,000	1,204,380
San Francisco.....	32,145	163,575	87,230	202,880	85,600	383,520
Total.....	3,315,875	7,005,900	6,437,880	12,308,300	4,652,580	14,220,260

Exchanged with Federal Reserve Bank of—	Fifties.		Hundreds.		Total.	
	Received.	Returned.	Received.	Returned.	Received.	Returned.
Boston.....	\$12,000	\$26,356	\$2,900	\$18,200	\$381,600	\$435,795
New York.....	112,650	248,350	80,300	228,500	2,967,850	3,787,425
Philadelphia.....	21,500	49,200	12,500	20,200	644,000	781,190
Cleveland.....	27,800	214,650	13,200	86,900	356,500	2,670,470
Richmond.....	8,500	130,300	11,500	27,000	363,500	998,725
Atlanta.....	44,300	218,300	24,700	49,400	2,309,010	3,847,640
Chicago.....	102,500	2,095,900	48,000	230,100	5,005,000	12,959,065
St. Louis.....						
Minneapolis.....	9,200	23,050	1,800	18,600	280,500	1,099,765
Kansas City.....	7,000	117,800	3,300	60,400	987,800	6,336,660
Dallas.....	24,100	40,650	26,700	27,800	1,500,050	3,797,400
San Francisco.....	11,350	49,350	7,400	44,300	223,725	843,625
Total.....	380,900	3,213,906	232,300	809,400	15,019,535	37,557,760

SCHEDULE 17.—*Denominations and amounts of Federal Reserve notes received by the Federal Reserve agent from the Comptroller of the Currency each month during 1918, and the totals from Nov. 16, 1914, to Dec. 31, 1918.*

Month.	Fives.	Tens.	Twenties.	Fifties.	Hundreds.	Total.
January.....	\$400,000	\$360,000				\$760,000
February.....		600,000	\$1,040,000	\$200,000	\$400,000	2,240,000
March.....	1,200,000	2,200,000	2,800,000	800,000	400,000	7,400,000
April.....	400,000	1,000,000	2,000,000			3,400,000
May.....	1,500,000	3,000,000	800,000			5,300,000
June.....	1,000,000					1,000,000
July.....	3,800,000	2,600,000	2,800,000	400,000		9,600,000
August.....	3,680,000	5,400,000	5,600,000	400,000		15,080,000
September.....	5,040,000	3,120,000	4,880,000	1,200,000	800,000	15,040,000
October.....	2,720,000	4,560,000	7,600,000			14,880,000
November.....		1,480,000	2,000,000			3,480,000
December.....	700,000	2,920,000	5,680,000	800,000		10,100,000
Total received during 1918.	20,440,000	27,240,000	35,200,000	3,800,000	1,600,000	88,280,000
Total received from Nov. 16, 1914, to Dec. 31, 1917..	16,580,000	27,520,000	23,600,000	3,000,000	2,400,000	73,100,000
Total received up to Dec. 31, 1918.....	37,020,000	54,760,000	58,800,000	6,800,000	4,000,000	161,380,000

**SCHEDULE 18.—Statement of receipts and disposition of Federal Reserve notes by Federal Reserve agent from opening of the bank on Nov. 16, 1914, and of funds and securities in his possession on Dec. 31, 1918.**

Federal Reserve notes received from Comptroller of Currency.....	\$161,380,000.00
Notes issued and reissued to Federal Reserve Bank.....	\$178,873,100.00
Notes returned by Federal Reserve Bank to Federal Reserve agent.....	\$20,471,500.00
Fit notes returned by United States Treasurer to Federal Reserve agent.....	11,600.00
Unfit notes received by comptroller from United States Treasurer for destruction.....	29,270,125.00
	49,753,225.00
Federal Reserve notes outstanding.....	129,119,875.00
Federal Reserve notes in hands of Federal Reserve agent.....	2,990,000.00
Gold for retirement of Federal Reserve notes:	
In gold redemption fund at Washington.....	\$2,543,335.00
In Federal Reserve agents' fund at Washington.....	64,130,600.00
	66,673,935.00
Paper pledged to secure Federal Reserve notes.....	75,085,896.33

**SCHEDULE 19.—Table showing total number and amount of city items, country items in this district, and other district items, handled by the Federal Reserve Bank of St. Louis and its Louisville and Memphis branches each month during 1918.**

## CITY ITEMS.

	Louisville		Memphis.	
	Number of items.	Amount.	Number of items.	Amount.
January.....	22,449	\$13,771,179.45		
February.....	19,821	24,168,708.03		
March.....	24,794	34,152,108.10		
April.....	24,556	31,916,229.41		
May.....	24,999	36,950,731.39		
June.....	25,632	38,937,514.22		
July.....	28,390	51,969,075.10		
August.....	33,077	36,553,745.83		
September.....	31,954	41,939,417.83	26,439	\$18,680,477.46
October.....	56,682	52,964,109.00	34,571	29,204,790.36
November.....	47,098	48,398,168.65	35,521	30,760,337.72
December.....	46,023	57,475,723.75	39,459	31,897,108.77
Total.....	385,475	469,196,710.76	135,990	110,542,714.31

	St. Louis.		Consolidated.	
	Number of items.	Amount.	Number of items.	Amount.
January.....	56,158	\$226,850,421.12	78,607	\$240,621,600.57
February.....	53,417	157,337,496.68	73,238	181,506,204.71
March.....	59,120	172,223,510.12	83,914	206,375,618.22
April.....	50,375	159,532,977.94	74,931	191,449,207.35
May.....	50,732	191,019,076.08	75,731	227,969,807.47
June.....	61,056	208,605,794.89	86,688	247,543,309.11
July.....	74,618	191,214,536.72	103,008	243,183,611.82
August.....	94,448	202,620,703.04	127,525	239,174,448.87
September.....	96,669	209,277,676.63	155,062	269,897,571.92
October.....	122,651	252,215,454.21	213,904	334,384,353.57
November.....	105,378	218,046,885.96	187,997	297,205,392.33
December.....	128,723	231,522,966.58	214,205	320,895,799.10
Total.....	953,345	2,420,467,499.97	1,474,810	3,000,206,925.04

SCHEDULE 19.—Table showing total number and amount of city items, etc.—Continued.

## COUNTRY ITEMS.

	Louisville.		Memphis.	
	Number of items.	Amount.	Number of items.	Amount.
January.....	40,921	\$5,578,146.79	.....	.....
February.....	40,613	5,651,358.79	.....	.....
March.....	50,534	7,913,879.82	.....	.....
April.....	57,080	8,793,498.95	.....	.....
May.....	64,568	9,881,357.11	.....	.....
June.....	74,966	9,984,875.22	.....	.....
July.....	105,588	10,889,644.00	.....	.....
August.....	108,933	10,196,912.34	.....	.....
September.....	105,562	10,492,073.25	28,370	\$4,344,252.57
October.....	114,294	11,858,974.07	39,127	6,864,471.55
November.....	109,356	10,852,627.16	37,537	5,882,794.70
December.....	121,371	13,620,756.84	42,512	6,398,785.51
Total.....	993,786	115,714,104.34	147,546	23,490,304.33

	St. Louis.		Consolidated.	
	Number of items.	Amount.	Number of items.	Amount.
January.....	220,348	\$47,818,660.12	261,269	\$53,396,806.91
February.....	220,652	43,219,702.65	261,265	48,871,061.44
March.....	262,732	73,484,072.05	313,266	81,397,951.87
April.....	239,951	75,581,930.98	297,031	84,375,429.93
May.....	254,784	55,710,219.34	319,352	65,591,576.45
June.....	298,630	59,488,166.48	373,596	69,473,041.70
July.....	424,958	67,427,831.07	530,546	78,317,475.07
August.....	492,052	75,237,019.19	600,985	85,433,931.53
September.....	403,160	56,795,714.23	537,092	71,632,040.05
October.....	476,380	63,334,172.52	629,801	82,057,618.14
November.....	496,866	62,569,130.01	643,759	79,304,551.87
December.....	505,313	63,968,735.19	669,196	83,988,277.54
Total.....	4,295,826	744,635,353.83	5,437,158	883,839,762.50

## OTHER DISTRICT ITEMS.

	Louisville.		Memphis.	
	Number of items.	Amount.	Number of items.	Amount.
January.....	301	\$107,741.04	.....	.....
February.....	316	151,235.83	.....	.....
March.....	355	112,977.27	.....	.....
April.....	560	610,695.54	.....	.....
May.....	662	442,962.25	.....	.....
June.....	711	365,168.21	.....	.....
July.....	1,087	283,664.94	.....	.....
August.....	1,126	536,457.40	.....	.....
September.....	1,107	716,223.29	302	\$220,740.49
October.....	2,278	6,632,132.26	532	465,594.09
November.....	2,131	542,634.77	487	487,307.71
December.....	2,043	646,985.65	609	271,790.89
Total.....	12,677	11,148,878.45	1,930	1,445,433.18



## SCHEDULE 19.—Table showing total number and amount of city items, etc.—Continued.

## OTHER DISTRICT ITEMS—Continued.

	St. Louis.		Consolidated.	
	Number of items.	Amount.	Number of items.	Amount.
January.....	4,863	\$29,723,283.90	5,164	\$29,831,024.94
February.....	4,353	25,537,607.01	4,669	25,688,842.84
March.....	3,793	31,365,755.08	4,148	31,478,732.35
April.....	3,795	31,645,691.49	4,355	32,256,387.03
May.....	4,205	30,385,379.79	4,867	30,828,342.04
June.....	7,237	27,282,070.67	7,948	27,647,238.88
July.....	13,067	29,736,956.06	14,154	30,020,621.00
August.....	20,329	29,333,331.95	21,455	29,869,789.35
September.....	18,688	30,548,801.69	20,097	31,485,765.47
October.....	22,354	16,621,257.29	25,164	23,718,983.64
November.....	16,714	22,171,873.10	19,332	23,201,815.58
December.....	12,789	18,780,573.82	15,441	19,099,350.36
Total.....	132,187	323,132,581.85	146,794	335,726,893.48

## SCHEDULE 20.—Number and amount of checks and warrants on the United States Treasurer handled by the Federal Reserve Bank of St. Louis and its Louisville and Memphis branches each month during 1918.

	Louisville.		Memphis.	
	Number of items.	Amount.	Number of items.	Amount.
October.....	58	\$513,397.74	3,649	\$274,984.22
November.....	116	3,972,037.06	10,071	777,341.17
December.....	1,572	3,819,770.72	17,738	1,313,802.44
Total.....	1,746	8,305,205.52	31,458	2,366,127.83

	St. Louis.		Consolidated.	
	Number of items.	Amount.	Number of items.	Amount.
January.....	66,836	\$18,236,072.95	66,836	\$18,236,072.95
February.....	120,273	27,721,444.07	120,273	27,721,444.07
March.....	72,878	20,319,449.23	72,878	20,319,449.23
April.....	86,062	18,192,286.18	86,062	18,192,286.18
May.....	124,103	21,528,591.53	124,103	21,528,591.53
June.....	100,468	21,065,499.88	100,468	21,065,499.88
July.....	97,177	23,240,855.80	97,177	23,240,855.80
August.....	137,003	30,218,926.60	137,003	30,218,926.60
September.....	140,083	30,161,203.75	140,083	30,161,203.75
October.....	164,346	32,992,171.60	168,053	33,780,553.56
November.....	161,928	35,660,524.09	172,115	40,409,902.32
December.....	223,343	40,108,803.54	242,653	45,242,376.70
Total.....	1,494,500	319,445,829.22	1,527,704	330,117,162.57

## SCHEDULE 21.—Number and amount of United States coupons handled by the Federal Reserve Bank of St. Louis and its Louisville and Memphis branches each month during 1918.

	Louisville.		Memphis.	
	Coupons handled.	Amount.	Coupons handled.	Amount.
September.....	26,928	\$83,313.45	.....	.....
October.....	30,280	82,367.99	.....	.....
November.....	39,540	235,948.92	7,740	\$33,371.32
December.....	41,193	211,496.14	12,607	53,872.00
Total.....	137,941	616,126.50	20,347	87,243.32

SCHEDULE 21.—*Number and amount of United States coupons, etc.—Continued.*

	St. Louis.		Consolidated.	
	Coupons handled.	Amount.	Coupons handled.	Amount.
January.....	33,100	\$133,613.32	33,100	\$133,613.32
February.....	11,171	34,401.90	11,171	34,401.90
March.....	6,089	14,631.83	6,089	14,631.83
April.....	5,961	34,173.72	5,961	34,173.72
May.....	257,559	1,120,392.19	257,559	1,120,392.19
June.....	156,853	652,136.11	156,853	652,136.11
July.....	61,450	205,358.82	61,450	205,358.82
August.....	26,438	69,685.12	26,438	69,685.12
September.....	321,945	694,355.44	348,873	777,668.89
October.....	184,606	378,967.16	214,886	461,335.15
November.....	270,652	1,077,210.99	317,932	1,349,531.23
December.....	214,013	804,029.35	267,813	1,069,397.49
Total.....	1,549,837	5,218,955.95	1,708,125	5,922,325.77

Average per month on total coupons handled, 142,344; amount \$493,527.15.

SCHEDULE 22.—*Total debits and credits of Federal Reserve Bank of St. Louis through gold settlement fund in Washington for each week during 1913, and the balance to its credit on the dates shown.*

For week ending—	Total debits.	Total credits.	Balance to credit of Federal Reserve Bank of St. Louis.
Jan. 3.....	\$38,252,000	\$41,680,000	\$21,314,400
Jan. 10.....	43,943,000	45,798,000	23,169,400
Jan. 17.....	40,008,000	43,159,000	20,820,400
Jan. 24.....	44,323,000	46,503,000	26,656,400
Jan. 31.....	43,524,000	43,328,000	26,968,900
Feb. 7.....	43,816,000	40,209,000	23,402,400
Feb. 14.....	33,439,000	42,221,000	32,184,400
Feb. 21.....	46,600,000	46,784,000	26,776,400
Feb. 28.....	42,877,000	46,592,000	30,519,900
Mar. 7.....	49,505,000	50,743,000	30,270,400
Mar. 14.....	44,694,000	49,066,000	34,642,400
Mar. 21.....	49,060,000	47,424,000	33,169,900
Mar. 28.....	51,579,000	47,874,000	29,485,900
Apr. 4.....	47,188,000	41,283,000	23,780,900
Apr. 11.....	53,093,000	50,827,000	21,693,400
Apr. 18.....	55,322,000	49,751,000	18,368,400
Apr. 25.....	57,464,000	52,813,000	16,187,800
May 2.....	55,401,000	53,255,000	17,605,800
May 9.....	51,341,000	53,077,000	23,122,800
May 16.....	54,553,000	65,523,000	37,421,000
May 23.....	61,304,000	52,149,000	23,401,500
May 31.....	41,500,000	57,649,000	40,636,600
June 6.....	57,283,000	44,294,000	27,488,300
June 13.....	56,128,000	55,169,000	33,247,300
June 20.....	60,225,000	49,669,000	22,476,000
June 27.....	54,224,000	63,823,000	32,352,300
July 5.....	85,058,000	62,783,000	23,235,000
July 11.....	37,620,000	55,190,000	35,052,000
July 18.....	64,969,000	51,439,000	21,279,000
July 25.....	55,463,000	56,639,000	22,270,000
Aug. 1.....	54,152,000	57,819,000	25,768,000
Aug. 8.....	44,804,000	53,707,000	35,270,000
Aug. 15.....	55,619,000	58,989,000	28,162,000
Aug. 22.....	54,011,000	60,300,000	29,180,000
Aug. 29.....	61,546,000	59,797,000	27,584,000
Sept. 5.....	51,188,000	47,401,000	24,932,000
Sept. 12.....	58,996,000	55,806,000	16,513,000
Sept. 19.....	60,476,000	64,955,000	21,116,000
Sept. 26.....	66,022,000	62,603,000	17,510,000
Oct. 3.....	62,822,000	55,499,000	13,934,000
Oct. 10.....	68,187,000	60,652,000	10,713,000
Oct. 17.....	59,060,000	65,937,000	17,261,000
Oct. 24.....	74,860,000	75,240,000	17,578,000
Oct. 31.....	68,717,000	83,338,000	28,999,000
Nov. 7.....	62,251,000	60,898,000	27,669,000
Nov. 14.....	62,092,000	63,319,000	30,372,000
Nov. 21.....	62,315,000	72,439,000	33,356,000
Nov. 29.....	65,574,000	74,712,000	26,493,000
Dec. 5.....	48,216,000	57,329,000	21,388,000
Dec. 12.....	50,603,000	67,529,000	23,963,000
Dec. 19.....	55,659,000	72,211,000	31,141,000
Dec. 26.....	48,775,000	61,048,000	36,038,000
Total.....	2,815,701,000	2,898,242,000	.....

**FIFTH ANNUAL REPORT**  
**OF THE**  
**FEDERAL RESERVE BANK**  
**OF ST. LOUIS**

**FOR THE YEAR ENDED DECEMBER 31, 1919**

**UNIVERSITY OF ILLINOIS LIBRARY**

**SEP 1 1921**





**LETTER OF TRANSMITTAL.**

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FEDERAL RESERVE BANK,  
*St. Louis, Mo., February 14, 1920.*

SIR: I have the honor to transmit herewith the fifth annual report of the Federal Reserve Bank of St. Louis, covering the year ended December 31, 1919.

Respectfully,

WM. MCC. MARTIN,  
*Chairman and Federal Reserve Agent.*

HON. W. P. G. HARDING,  
*Governor, Federal Reserve Board,*  
*Washington, D. C.*

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## FIFTH ANNUAL REPORT OF THE FEDERAL RESERVE BANK OF ST. LOUIS.

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A marked change in financial and commercial activities took place during the year 1919. Attention was turned from winning the war to restoring conditions to a peace basis, and the banks in this district were called upon to finance a larger volume of commercial, industrial and agricultural business than ever before.

The usefulness of the Federal Reserve Bank was further demonstrated during 1919. It rendered valuable assistance in the flotation of the Victory Loan and the various issues of Certificates of Indebtedness during the year, and also greatly aided member banks in taking care of increased commercial demands. Its rediscounting, clearing, collection and other facilities were used to a greater extent than in any previous year.

Measured both by the service rendered and the financial results of operation, the year 1919 was a most successful one for this bank.

### FINANCIAL RESULTS OF OPERATION.

The gross earnings during the year 1919 amounted to \$3,884,478.29 and the current expenses were \$1,174,793.26, leaving net earnings of \$2,709,685.03. This was an increase of \$758,877.79 over the net earnings for 1918. After charging off \$335,000 of the cost of bank premises, paying the dividends for 1919 amounting to \$234,659.91, and setting aside a reserve of \$19,519.44 to pay the Federal Reserve Board's assessment for the first six months of 1920, net profits of \$2,120,494 were left for the year. These net profits were transferred to surplus account, making \$3,723,805.22 in that account on December 31, 1919. The principal source of revenue during 1919 was bills discounted. Of the \$3,884,478.29 of gross earnings, \$2,918,462.08 was derived from this source. Schedule 1 shows in detail the earnings and expenses for the years 1918 and 1919.

Comparative balance sheets as of December 31, 1918, and 1919, are given in Schedule 2. From these balance sheets, it will be seen that the total resources of the Federal Reserve Bank of St. Louis increased

from \$220,189,394.05 on December 31, 1918, to \$301,094,164.75 on December 31, 1919. Between these dates, its gross deposits increased from \$88,203,789.46 to \$131,963,641.07 and its earning assets increased from \$85,717,141.81 to \$128,874,552.62. The reserve deposits of member banks increased from \$52,830,678.16 to \$72,282,788.29 within that time, due in great measure to the admission of state banks and trust companies into the System.

#### DISCOUNT OPERATIONS.

The total amount of paper discounted for member banks during 1919 was \$2,100,630,595.51, exclusive of rediscounts for other Federal Reserve Banks and bankers' acceptances purchased. Of this amount \$226,478,442.35 was commercial or single-name paper, \$7,946,180 consisted of trade acceptances, or two-name paper, and \$1,866,205,973.16 consisted of member banks' 15-day collateral notes. Of the \$226,478,442.35 of commercial paper discounted, \$33,082,706.47 was secured by Liberty Bonds and Certificates of Indebtedness, and of the \$1,866,205,973.16 of members banks' collateral notes, \$1,862,163,473.16 was secured by such Government obligations. The total paper discounted for member banks during 1919 shows an increase of \$1,015,493,341.29 over the amount discounted in 1918.

The total number of bills handled during 1919 was 33,866, as follows: Rediscounts, 20,177; member banks' collateral notes, 9,104, and bills bought, 4,585.

Of the 540 member banks, 305 different member banks rediscounted with this bank during 1919, which is an increase of 27 over the number accommodated in 1918.

Schedule 3 shows the volume of the different classes of paper discounted by this bank and each of its branches during the year, and Schedule 4 shows the volume of paper received from each state each month and the number of different banks in each state discounting during the year.

Exhibit A gives a table and chart showing (1) discounted paper secured by Liberty Bonds and Treasury Certificates, (2) other discounted paper, (3) total discounts, (4) ratio of paper secured by Government obligations to total discounted paper, (5) bills bought in open market, (6) total bills discounted and purchased, (7) United States securities, and (8) total earning assets, as at close of business each Friday.

During the year, the Federal Reserve Bank of St. Louis rediscounted for the Federal Reserve Bank of Philadelphia, \$53,500,000, and for the Federal Reserve Bank of Richmond, \$86,709,000 of paper.

Schedule 5 shows the discounts acquired from other Federal Reserve Banks each month during the year. This bank did not rediscount with any other Federal Reserve Bank, nor did it sell any of its bankers' acceptances to other Federal Reserve Banks during 1919.

The discount rates of this bank in effect at the opening and closing of the year and the changes made during the year are shown in Schedule 6.

#### TRADE ACCEPTANCES.

During 1919 this bank discounted a total of \$7,946,180 of trade acceptances for member banks, which is a decrease of \$7,735,021 as compared to 1918. However, this does not necessarily indicate that the use of the trade acceptance is declining in this district. On the contrary, it is our belief that the volume of trade acceptances materially increased during the year, but they were not rediscounted. Every effort has been made to encourage the use of trade acceptances, and throughout the year the Federal Reserve Bank maintained a preferential rate of discount for such paper, ranging from one-quarter to one-half of one per cent lower than the rates for other commercial paper of similar maturity.

#### BANKERS' ACCEPTANCES.

During the past year this bank purchased a total of \$127,822,917.32 of bankers' acceptances, of which \$81,783,085.52 were purchased from banks and dealers in the district and \$46,039,831.80 from or through other Federal Reserve Banks. This is an increase of \$97,175,284.14 over the amount purchased during 1918. The rates on these acceptances ranged from 4 to 5 per cent. Schedule 7 shows the amounts of bankers' acceptances purchased each month from and through other Federal Reserve Banks and from banks and dealers in this district.

During 1919 this bank continued its policy of encouraging the legitimate use of bankers' acceptances, and it is believed that substantial progress was made. It is estimated that approximately \$80,000,000 bankers' acceptances were created in this district in 1919, and while many of these found their way into this bank, a substantial amount was sold by dealers to banks in other districts. The intra-district distribution of bills has seemed desirable, and we have largely confined our open market purchase to bills bearing the name of one bank in District No. 8 and of one name in another Federal Reserve district. When member banks in this district have offered their own acceptances, the rate of discount for commercial paper has been charged instead of the rate for endorsed bank bills, in an effort to discourage such practice. The rate on open market purchases has



been subject to contract at time of offering, thus affording a measure of control on the improper use of bank bills.

The following member banks were authorized by the Federal Reserve Board during 1919 to accept up to 100 per cent of their capital and surplus, drafts and bills of exchange growing out of transactions involving the importation or exportation of goods, as provided in Section 13 of the Federal Reserve Act:

Liberty Bank, St. Louis, Mo. .... Authorized April 18, 1919.

First National Bank, St. Louis, Mo. .... Authorized October 23, 1919.

The addition of these two makes seven member banks in this district which have been granted permission to accept up to 100 per cent.

#### RESERVE POSITION.

The reserve position of the Federal Reserve Bank of St. Louis was well maintained throughout the year, and it was not necessary to rediscount with any other Federal Reserve Bank to build up the reserve. On December 31, 1919, the reserve of this bank against all liabilities was 47.7 per cent.

Exhibit B gives a table and a chart showing (1) gold reserve, (2) total cash reserve, (3) Federal Reserve notes in actual circulation, (4) net deposit liability, (5) combined net deposit and Federal Reserve note liabilities, and (6) ratio of total cash reserves to net deposit and Federal Reserve note liabilities, as at the close of business each Friday.

#### MOVEMENT OF MEMBERSHIP.

On January 1, 1919, the Federal Reserve Bank of St. Louis had a total of 513 member banks, consisting of 469 national banks and 44 state banks and trust companies. Its authorized capital was \$7,599,200, of which one-half, or \$3,799,600, was paid in.

During the year, fourteen new national banks became members, six liquidated and five consolidated with other national banks. Twenty-seven state banks and trust companies were admitted to membership, one consolidated with another member state bank, one was converted into a national bank, and one withdrew from the System.

On December 31, 1919, this bank had a total of 540 member banks, consisting of 472 national banks and 68 state banks and trust companies. Its authorized capital stock was \$8,130,900, of which \$4,064,450 was paid in. This shows a net increase in the paid-up capital stock of \$264,850 over December 31, 1918.

Schedule 8 gives a list of the national and state banks which became members during 1919, and also the banks which liquidated, consolidated or withdrew from the System.

## RELATIONS WITH NATIONAL BANK MEMBERS.

Continued progress has been made during the past year in developing a closer relationship between the Federal Reserve Bank and its members. In addition to paying the charges on shipments of currency, assuming the cost of telegrams regarding money shipments or deposit transactions, making transfers of funds by wire, furnishing forms of financial statements for use by customers, and accepting United States bonds for safekeeping, which were previously inaugurated, the Federal Reserve Bank in March, 1919, began to assort currency for its members without charge and to furnish them with drafts for use in drawing on it or its branches.

Thirty-three national banks in this district were granted permission by the Federal Reserve Board during 1919 to act as trustee, executor, etc., under the provisions of Section 11 (k) of the Federal Reserve Act as amended by the Act of September 26, 1918. Seven national banks which had been granted the fiduciary powers as originally provided by the Federal Reserve Act were authorized to exercise the additional powers conferred by the amendment of September 26, 1918. On December 31, 1919, there were 71 national banks in this district authorized to exercise fiduciary powers, of which 10 were located in Arkansas, 15 in Illinois, 13 in Indiana, 18 in Kentucky, 1 in Mississippi, 13 in Missouri and 1 in Tennessee. Schedule 9 gives a list of the national banks granted permission during 1919 to exercise fiduciary powers.

The Federal Reserve Bank of St. Louis has continued the practice started in April, 1918, of making deposits for national banks to their 5 per cent Redemption Account with the Treasurer of the United States at Washington, through the medium of the Federal Reserve Board and the Gold Settlement Fund. The volume of such deposits during 1919 was as follows:

Month.	Number of deposits.	Amount.	Month.	Number of deposits.	Amount.
January . . . . .	148	\$525,361.97	August . . . . .	284	\$1,516,800.00
February . . . . .	174	918,835.35	September . . . . .	321	1,989,325.00
March . . . . .	131	1,191,871.50	October . . . . .	244	1,322,650.00
April . . . . .	239	1,574,610.50	November . . . . .	240	2,267,950.00
May . . . . .	437	1,726,500.00	December . . . . .	315	2,685,530.00
June . . . . .	355	1,812,082.50			
July . . . . .	432	1,452,400.00	Totals for year..	3,320	\$19,484,416.82

## RELATIONS WITH STATE BANKS AND TRUST COMPANIES.

The solicitation of par points and the activities in connection with subscriptions to the Victory loan and the various issues of certificates

of indebtedness during the year, have brought the state banks and trust companies of the district into still closer touch with the Federal Reserve Bank. Also, many non-member banks have borrowed through members from the Federal Reserve Bank on their Government securities, as authorized by the Federal Reserve Board, and this has caused them to appreciate more fully the service rendered by this bank.

Increased interest has been manifested in membership by state banks and trust companies. Twenty-seven state banks and trust companies were admitted to membership during the year, making a total of 68 member state banks. A number of banks have expressed an intention to file application in the near future. Some are increasing their capital in order to be eligible to join. On December 31, 1919, there were 937 eligible non-member state banks and trust companies in this district with total resources aggregating approximately \$505,000,000. The total resources of the 68 member state banks and trust companies amounted to \$413,412,927.91, which is over 45 per cent of the total resources of all the eligible state institutions in the district.

Of the \$72,282,788.29 of reserve deposits of all member banks in the Federal Reserve Bank of St. Louis on December 31, 1919, the reserves of the 68 member state banks and trust companies amounted to \$21,971,031.71, or over 30 per cent of the total reserve deposits. The state banks and trust companies that are members have availed themselves freely of the facilities offered by the Federal Reserve Bank.

Under arrangements with the banking departments of the states in this district, examiners for the Federal Reserve Bank participated jointly with state examiners in 48 examinations of 37 member state banks during 1919. The following table shows the work done, by states:

State.	Number of member State Banks.	Number of State examinations.	Participations by Federal Reserve Examiners.
Arkansas . . . . .	23	20	14
Illinois . . . . .	12	12	2
Indiana . . . . .	2	2	2
Kentucky . . . . .	5	9	9
Mississippi . . . . .	0	0	0
Missouri . . . . .	19	18	11
Tennessee . . . . .	7	13	10
	68	74	48

#### FEDERAL RESERVE NOTES.

During the year the Federal Reserve agent received from the Comptroller of the Currency, Federal Reserve notes aggregating \$138,220,000.



The Federal Reserve agent issued and re-issued to the Federal Reserve Bank of St. Louis during 1919, against the pledge of gold and eligible paper, a total of \$134,025,000 of Federal Reserve notes, which is an increase of \$31,420,000 over the amount issued and re-issued the previous year. The greatest demand for notes was during the months of September, October, and November. Schedule 10 shows the amount of each denomination of Federal Reserve notes issued by the Federal Reserve agent to the bank each month during the year.

The bank returned to the Federal Reserve agent a total of \$14,315,000 fit Federal Reserve notes during the year.

The Treasurer of the United States during 1919 redeemed out of the redemption fund maintained with him by the Federal Reserve agent \$84,110,920 of unfit notes of the Federal Reserve Bank of St. Louis which were turned over to the Comptroller of the Currency for destruction.

The amount of Federal Reserve notes outstanding at the close of 1918 was \$129,119,875. Adding the \$134,025,000 of notes issued during 1919, and subtracting the \$14,315,000 of fit notes returned by the bank to the Federal Reserve agent and the \$84,110,920 of unfit notes redeemed, left a total of \$164,718,955 Federal Reserve notes outstanding on December 31, 1919. To secure these outstanding notes there were \$61,624,715 of gold deposited with the Federal Reserve agent and \$110,358,070.82 of eligible paper hypothecated with him. Of the \$164,718,955 Federal Reserve notes outstanding, \$17,589,880 were held by the Federal Reserve Bank and its branches and \$1,830,745 were in transit to Washington for redemption, leaving \$145,298,330 in actual circulation on December 31, 1919.

Schedule 11 shows the amount of each denomination of Federal Reserve notes outstanding December 31, 1918, issued, returned and redeemed during 1919, and outstanding December 31, 1919. Comparative statements of the Federal Reserve agent's accounts as of December 31, 1918, and 1919, are given in Schedule 12.

Out of the redemption fund maintained by the Federal Reserve Bank of St. Louis with the United States Treasurer, \$2,031,550 of fit Federal Reserve notes were redeemed during the year, which were returned to the bank for reissuance.

During 1919 the Federal Reserve Bank of St. Louis received from other Federal Reserve Banks for redemption or credit \$50,469,925 of its own Federal Reserve notes, and returned to other Federal Reserve Banks for redemption or credit \$75,559,285 of their Federal Reserve notes. In other words, this bank returned \$25,089,360 more notes of other banks than it received of its own. As was the case in 1918. the

Federal Reserve Bank of Chicago returned to this bank more notes of the Federal Reserve Bank of St. Louis than did any other district. This bank also returned more notes of the Federal Reserve Bank of Chicago than of any other district. Schedule 13 shows the amount of Federal Reserve notes received by this bank from each other Federal Reserve Bank and the amount of notes of each other Federal Reserve Bank returned by this bank during 1919.

#### FEDERAL RESERVE BANK NOTES.

During the year 1919, \$16,304,000 of Federal Reserve Bank notes were issued, consisting of \$10,596,000 new circulation and \$5,708,000 new notes to replace unfit ones. A total of \$6,136,000 unfit Federal Reserve Bank notes were redeemed during the year.

The amount of Federal Reserve Bank notes outstanding on December 31, 1919, was \$16,608,000. These bank notes were secured by \$17,068,000 of United States special certificates of indebtedness, deposited with the Treasurer of the United States.

Of the \$16,608,000 of bank notes outstanding on December 31, 1919, \$1,109,676 were held by the Federal Reserve Bank and its branches, leaving \$15,498,324 of Federal Reserve Bank notes in actual circulation at the end of the year.

Schedule 14 shows by denominations the Federal Reserve Bank notes outstanding December 31, 1918, issued, replaced and redeemed during 1919, and outstanding on December 31, 1919.

#### CLEARINGS.

The check clearing facilities of the Federal Reserve Bank were availed of both by member banks and non-member banks to a greater extent during the year 1919 than in any previous year.

The total number of clearing items handled by this bank and its branches during 1919 was 19,107,635, and the total amount was \$6,008,535,869.76. This is an increase of 10,521,169 in number and \$1,458,645,126.17 in amount over the year 1918.

The steady increase in the volume of items handled by the parent bank and by each of its branches each month is evidenced by Schedule 15.

On December 31, 1918, the Federal Reserve Bank of St. Louis was collecting at par checks on 1,558 of the banks and trust companies in this district. During the year 1919, as a result of a campaign by correspondence and personal interviews, the number of banks on which checks were collectible at par through the Federal Reserve Bank was increased to 2,845, which is almost 90 per cent of all the banks in the district. Of the remaining 355 non-member banks in

this district with which arrangements have not yet been made to collect checks at par, 129 are in Arkansas, 74 in Kentucky and 152 in Mississippi.

#### COLLECTIONS.

Member banks, during the year 1919, also made greater use of the facilities of the Federal Reserve Bank for the collection of such items as drafts, notes, coupons, acceptances, etc., than ever before.

During the year this bank and its branches handled a total of 34,372 collection items, amounting to \$87,257,166.92, not including coupons. This is an increase of 23,010 in number and \$53,787,560.37 in amount over those handled in 1918. Schedule 16 shows the number and amount of collection items handled by the parent bank and each of its branches each month during 1919.

The number of Government coupons handled in 1919 was 5,653,395, and they amounted to \$21,422,555.56. This shows an increase of 3,945,270 in number and \$15,500,229.79 in amount over 1918. The number and amount of coupons from United States securities handled by the parent bank and each of its branches each month are shown by Schedule 17.

#### GOLD SETTLEMENT FUND.

The gold settlement fund has continued to be an admirable medium for quick settlement of accounts between this bank and other Federal Reserve Banks. The totals of such settlements during the year show a steady increase.

The balance to the credit of this bank in the gold settlement fund at the beginning of the year was \$26,996,785.30. The total receipts through the gold settlement fund amounted to \$5,364,011,300.60, and the total disbursements were \$5,377,634,303.12 to December 26, 1919. The balance to the credit of this bank in said fund on the date mentioned was \$13,373,782.78.

Schedule 18 shows the total receipts and disbursements through the gold settlement fund for each week during 1919, also the balance to the credit of this bank each week.

#### INTERNAL ORGANIZATION.

The directors of the Federal Reserve Bank of St. Louis, on January 1, 1919, were as follows: Messrs. Walker Hill, J. C. Utterback, and Sam A. Ziegler, Class A directors; Messrs. David C. Biggs, LeRoy Percy, and W. B. Plunkett, Class B directors; Messrs. Wm. McC. Martin, John W. Boehne, and C. P. J. Mooney, Class C directors. Mr. Wm. McC. Martin was also chairman of the board and Federal Reserve agent, and Mr. John W. Boehne was deputy chairman. Of



these directors the terms of Messrs. Sam A. Ziegler, W. B. Plunkett, and C. P. J. Mooney expired on December 31, 1919.

On February 5th Mr. David C. Biggs resigned as a Class B director to accept the governorship of the bank. An election was held from March 20th to April 4th for the selection of his successor. Mr. Rolla Wells was elected by the banks in Group 1 as a Class B director, to serve during the unexpired term of Mr. Biggs, ending December 31, 1921.

From November 18th to December 5th an election was held for the selection of Class A and Class B directors to succeed Messrs. Sam A. Ziegler and W. B. Plunkett, whose terms expired December 31, 1919. Mr. Sam A. Ziegler was re-elected by the banks in Group 3 as a Class A director, and Mr. W. B. Plunkett was re-elected by the banks in Group 2 as a Class B director, both to serve for three years from January 1, 1920.

On December 19th the Federal Reserve Board reappointed Mr. C. P. J. Mooney as a Class C director for three years from January 1, 1920.

The Board of Directors held 23 meetings during the year, with an average attendance of seven.

On January 8th the directors elected Directors Biggs, Hill, and Boehne to serve on the Executive Committee with the Governor and Federal Reserve agent. On April 16th Mr. Rolla Wells was elected a member of the Executive Committee to fill the unexpired term of Mr. Biggs. Throughout the year the Executive Committee met three times each week, on Mondays, Wednesdays and Fridays, except from July 8th to September 19th, when it met daily.

At the meeting of the Board of Directors, on January 8th, the following officers for the year 1919 were elected: Mr. W. W. Hoxton, Deputy Governor; Mr. Jas. G. McConkey, Secretary and Counsel; Mr. Olin M. Attebery, Cashier; Messrs. R. R. Clabaugh, A. H. Hail, J. W. White, and J. W. Rinkleff, Assistant Cashiers, and Mr. E. J. Novy, General Auditor. Mr. F. O. Watts was also re-elected to represent this bank on the Federal Advisory Council during 1919. Mr. Rolla Wells was not re-elected governor, for the reason that he had resigned on December 18, 1918, to take effect when a successor was elected. On February 5th the directors elected Mr. David C. Biggs as governor of the bank to succeed Mr. Rolla Wells. On February 19th the directors accepted the resignation of Mr. R. R. Clabaugh as assistant cashier, effective March 1st, and on March 15th the resignation of Mr. W. W. Hoxton as deputy governor was accepted, effective April 1st. At a meeting of the directors on March 15th Mr. Olin M. Attebery was elected deputy governor and cashier, and at the meeting

on April 2nd the office of deputy governor and cashier was divided, Mr. Olin M. Attebery being elected deputy governor and Mr. J. W. White, cashier. Mr. W. H. Glasgow, manager of the credit department, was also elected an assistant cashier at this meeting. Mr. C. M. Stewart was assistant Federal Reserve agent during the year.

At the close of 1919 the bank with the branches had 541 employees (including the officers), of whom 104 were engaged in fiscal agency work. At the close of 1918 the bank had 385 employees, of whom 126 were employed on fiscal agency work.

#### BANKING QUARTERS.

During 1919 the Federal Reserve Bank continued to occupy its quarters in the Federal Reserve Bank Building, at the northeast corner of Broadway and Pine Streets, St. Louis, though it was necessary to take additional space in the building and to rent additional vault space in one of the local banks.

As stated in the last annual report, this bank purchased for permanent quarters the premises formerly occupied by the St. Louis Union Trust Company and the St. Louis Union Bank, on the northwest corner of Fourth and Locust Streets, and three pieces of property on Fourth Street contiguous to and immediately north of this property, making a frontage of 161 feet 4 inches on Fourth Street and a frontage of 127 feet 3½ inches on Locust Street.

On November 19, 1919, the directors authorized the purchase of an additional area at the northeast corner of Broadway and Locust Street, fronting 65 feet on Broadway and 127 feet 3½ inches on Locust Street, provided that an alley 15 feet wide could be vacated. The purchase of this additional property has been approved by the Federal Reserve Board, and the deal is being consummated.

When the matter is closed, this bank will possess all of the property on the north side of Locust Street, between Broadway and Fourth Street. It is proposed to have on this property a building extending from Broadway to Fourth Street, which will be sufficiently large to take care of the future as well as the present requirements of this bank.

#### OPERATIONS OF FEDERAL RESERVE BANK BRANCHES. LOUISVILLE BRANCH.

The total earnings of the Louisville branch for the year 1919 amounted to \$352,694.28 and its expenses amounted to \$134,241.76, leaving net earnings of \$218,452.52. Of the total earnings, \$343,919.06 was derived from bills discounted for member banks. During the year



the Louisville branch discounted for member banks a total of \$466,485,985.02 of paper and purchased a total of \$1,073,899.76 of bankers' acceptances. Schedule 3 shows the amounts of the different classes of paper discounted during the year, and Schedule 7 gives the amount of bankers' acceptances purchased each month.

During 1919, the Louisville branch handled a total number of 2,778,148 clearing items, amounting to \$966,499,972.70. It also handled a total of 7,021 collections, amounting to \$11,695,196.60, and a total of 886,617 Government coupons, aggregating \$4,114,842.09. Schedules 15, 16 and 17 show the clearing items, collection items and coupons handled each month.

On January 8th the directors of the Federal Reserve Bank of St. Louis reappointed Mr. W. P. Kincheloe, manager, and Mr. John T. Moore, cashier, for the year 1919. They also re-elected the following directors of the branch: Messrs. W. P. Kincheloe, Geo. W. Norton and W. C. Montgomery. The Federal Reserve Board reappointed Directors Chas. E. Hoge and F. M. Sackett. On April 1, 1919, Mr. Chas. E. Hoge died, and on April 25th the Federal Reserve Board appointed Mr. Embry L. Swearingen, of Louisville, Kentucky, to fill his unexpired term.

On May 7, 1919, the directors of the Federal Reserve Bank of St. Louis authorized the purchase of the lot and banking house, vaults, furniture and fixtures, formerly occupied by the National Bank of Commerce, at the northwest corner of Fifth and Market Streets, Louisville, Ky., as permanent quarters for the Louisville branch. The purchase of this property was approved by the Federal Reserve Board on May 12th, and the branch moved into its new quarters on June 10th.

At the close of the year the Louisville branch had 53 employees, including the officers, as compared to 23 at the close of 1918. The number of member banks assigned to it was 95.

#### MEMPHIS BRANCH.

The total earnings of the Memphis branch for the year 1919 amounted to \$571,591.51 and its expenses were \$196,851.32, leaving net earnings of \$374,740.19. Of the total earnings, \$558,409.49 were derived from bills discounted for member banks. During the year the Memphis branch discounted for member banks a total of \$286,295,260.25 of paper and purchased a total of \$274,503.90 of bankers' acceptances. Schedule 3 shows the amounts of the different classes of paper discounted during 1919, and Schedule 7 gives the amount of bankers' acceptances purchased each month.



The Memphis branch handled during 1919 a total of 1,639,431 clearing items, amounting to \$527,400,702.71. It also handled a total of 6,141 collection items, amounting to \$19,662,465.18, and a total of 397,250 Government coupons, aggregating \$1,538,854.33. Schedules 15, 16 and 17 show the clearing items, collection items and coupons handled each month.

The directors of the Federal Reserve Bank of St. Louis reappointed as officers of the branch for 1919, Mr. John J. Heflin, manager, and Mr. A. J. Williams, cashier. As directors of the branch this bank re-elected Messrs. John J. Heflin, Jno. D. McDowell, and R. Brinkley Snowden. The Federal Reserve Board reappointed Directors S. E. Ragland and T. K. Riddick. On March 15th Mr. W. P. Alexander was appointed by this bank as an assistant cashier of the Memphis branch. He resigned at the close of the year.

At the end of the year the Memphis branch had 68 employees, including the officers, as compared to 29 employees at the close of 1918. Forty-two member banks were assigned to it.

#### LITTLE ROCK BRANCH.

The Little Rock branch was opened for business on January 6, 1919. The total earnings of the branch during the year amounted to \$230,895.01 and its expenses amounted to \$126,660.06, leaving net earnings of \$104,234.95. Of the total earnings, \$221,922.07 were derived from bills discounted for members. During the year the Little Rock branch discounted for member banks a total of \$96,326,751.12 of paper and purchased a total of \$3,331.12 of bankers' acceptances. Schedule 3 shows the amounts of the different classes of paper discounted during the year, and Schedule 7 gives the amount of bankers' acceptances purchased each month.

During 1919, the Little Rock branch handled a total number of 1,541,271 clearing items, amounting to \$353,979,985.27. It also handled a total of 3,604 collection items, amounting to \$7,658,218.77, and a total of 227,260 Government coupons, aggregating \$617,752.30. Schedules 15, 16 and 17 show the clearing items, collection items and coupons handled each month.

As officers of the Little Rock branch for 1919 the Federal Reserve Bank of St. Louis appointed Mr. John M. Davis, manager, and Mr. A. F. Bailey, cashier. It also appointed as directors, Messrs. John M. Davis, C. A. Pratt and Ed. Cornish. The Federal Reserve Board appointed Messrs. Geo. W. Rogers and Moorhead Wright as directors.

On April 2nd Mr. John M. Davis resigned as manager and a director

of the branch, and Mr. A. F. Bailey was appointed as manager and a director in his place. Mr. M. H. Long was elected cashier, to succeed Mr. Bailey.

At the close of the year the Little Rock branch had 38 employees, including the officers. The number of member banks assigned to it was 57.

#### BRANCH BANK CONFERENCES.

In order to foster a closer relationship between this bank and its branches, an invitation was extended to the officers and directors of the respective branches to meet with the officers and directors of this bank in St. Louis on April 16, 1919. The managers of the respective branches and a large number of the directors were present. Mr. J. A. Broderick, secretary of the Federal Reserve Board, also attended.

A definite program was carried out. Mr. Broderick delivered a message from the Federal Reserve Board, reports were made by the managers of the branches, and important topics discussed by different directors and officers. This was the first conference of its kind, not only in the history of this district, but in the history of the System, and it proved highly beneficial.

On December 29th and 30th a conference of the officers and field workers of the parent bank and its branches was also held in St. Louis.

#### FISCAL AGENCY OPERATIONS.

As fiscal agent of the United States Government, during the past year the Federal Reserve Bank of St. Louis continued to receive and disburse funds for its account. Acting in this capacity, it also handled the sale and delivery of certificates of indebtedness, Victory Liberty loan notes, and war savings stamps in this district for the Treasury Department, and assisted in the work of the War Finance Corporation. It furthermore attended to the exchange and conversion of Liberty bonds for the banks and the public.

#### TREASURY CERTIFICATES OF INDEBTEDNESS.

As in the case of the previous Liberty loans, United States Treasury certificates of indebtedness were issued in anticipation of the Victory Liberty loan, and were used to a great extent by purchasers in making payment for the Victory notes. In anticipation of this loan, there were ten offerings of certificates of indebtedness, two of which were offered in December, 1918. The aggregate quota assigned to this district for the eight issues offered in 1919 amounted to \$182,000,000 and the total subscriptions received aggregated \$199,737,000. Of the 3,092 banking institutions in this district, 2,403, or 77.71 per cent,

subscribed to these issues. Schedule 19 shows the various issues of certificates of indebtedness issued in 1919 prior to the Victory Liberty loan, and also the subscriptions received from the different classes of banking institutions in the district.

In August there were also two offerings of so-called loan certificates of indebtedness. The aggregate quota of these certificates for this district amounted to \$40,000,000, and the total subscriptions received aggregated \$42,269,000. In September and December there were also two additional offerings of these certificates of indebtedness, on which the Treasury Department did not set a specific amount to be offered, nor was any quota assigned to the Federal Reserve Banks. The total subscriptions received to the September issue of certificates of indebtedness amounted to \$17,975,500, and to the December issue \$8,728,000, making a total of \$68,972,500 for the four issues. Of the 3,092 banks in this district, 1,467, or 47.46 per cent, subscribed for these certificates. Schedule 20 shows the four offerings of loan certificates of indebtedness and also the subscriptions received from the different classes of banks in the district.

During the year eleven offerings of tax certificates were also issued in anticipation of income and excess profits taxes due the Government. The first six issues were in anticipation of taxes due in 1919. The banks, corporations, and individuals in this district subscribed to \$53,700,500 of these certificates. The last five issues were in anticipation of taxes to be paid in 1920; \$65,929,500 of these five issues were taken in this district. The various offerings of tax certificates issued during 1919 and the subscriptions to each received in this district are shown in Schedule 21.

#### FLOTATION OF VICTORY LIBERTY LOAN NOTES.

The campaign for the Victory Liberty loan opened on April 21, 1919. The amount of the loan was \$4,500,000,000, and the quota assigned to this district was \$202,393,500. This was the first district to meet its quota. The total subscriptions received amounted to \$210,418,700, oversubscribing the quota by \$8,025,200. Of these subscriptions, \$201,787,600 were allotted by the Treasury Department. The number of subscribers was 505,001. Of the 3,098 banking institutions in this district, 3,027, or 97.71 per cent, sent in subscriptions for themselves and their customers. Of the \$210,418,700 subscriptions, \$41,408,829.09 was paid in cash, \$59,468,500 in Treasury certificates of indebtedness, and \$100,910,270.91 by credit on the books of special Government depositaries.

Schedule 22 shows the quota, subscriptions, allotments, and number of subscribers, by states, the subscriptions received from each class



of banking institutions, and the methods of payment for subscriptions to the Victory Liberty loan.

The campaign work in connection with the Victory Liberty loan was conducted by the Liberty Loan Organization under the supervision of the Federal Reserve Bank, as was done in the case of the four previous Liberty loans. Mr. D. C. Biggs, Governor of the Federal Reserve Bank, was chairman of this organization. The Central Committee, of which Mr. William R. Compton was chairman, Mr. Tom K. Smith, vice-chairman, and Mr. George Oliver Carpenter, Jr., secretary, was the active administrative body. In addition to these gentlemen, the committee consisted of a chairman for each state, and directors in charge of the various departments of the organization.

#### DEPOSITS OF TREASURY FUNDS WITH BANKS AND THEIR WITHDRAWAL.

During the year 52 banks in this district qualified for deposits arising out of the sale of Victory Liberty loan notes and Treasury certificates of indebtedness. Adding those qualified prior to January 1, 1919, and deducting those not assenting to Treasury Department Circular No. 92, as amended and supplemented April 21, 1919, made a total of 480 Government depositories at the end of the year.

This bank had custody of all collateral offered as security for these deposits and performed all duties incident to the deposit and withdrawal of funds, collection of interest, etc. The largest amount of collateral in its custody at any one time was held on June 4, 1919, when the securities totaled \$100,638,055.31. The largest amount of deposits outstanding with depositories at any one time was \$79,235,236.51, on June 5, 1919. The total amount of deposits made with depositories during the year amounted to \$411,370,232.36, of which, at close of business December 31st, about \$28,058,201.36 was still outstanding. The interest collected by the Federal Reserve Bank for account of the United States Government on such deposits during the year amounted to about \$631,668.

#### WAR SAVINGS STAMPS, THRIFT STAMPS, AND TREASURY SAVINGS CERTIFICATES.

During the 1919 savings campaign, 118,200 war savings stamps, with a maturity value of \$591,000, and 44,905 thrift stamps, maturity value \$11,226.25, were reported sold by agents in the Eighth Federal Reserve District. These sales show a material decrease as compared with the results obtained in 1918.

It is very gratifying, however, to note the stimulating effect produced in this campaign by an issue of registered treasury savings certificates in denominations of \$100, and \$1,000 maturity value, which was placed on sale by the Treasury Department the latter part of

July, 1919. To the close of the year, 11,550 of these certificates were sold, having a maturity value of \$2,259,300.

Schedule 23 shows the number and maturity value of the thrift stamps, war savings stamps, and Treasury savings certificates sold each month during the year.

The savings campaign during 1919 was under the supervision of Mr. D. C. Biggs, Governor of this bank. Mr. L. A. Wilson, Government Director of the States of Arkansas, Kentucky, and the greater portion of Missouri, was in active charge. The sales above mentioned, with few exceptions, were made in these states.

#### WAR FINANCE CORPORATION.

The transactions on account of the War Finance Corporation greatly increased during 1919.

In April the War Finance Corporation offered \$200,000,000 series "A," one-year 5% gold bonds, dated April 1, 1919, and due April 1, 1920. The Federal Reserve Bank handled the subscriptions to this issue for this district. The subscriptions received amounted to \$4,247,000. Only 187 of the 3,098 banking institutions in the district sent in subscriptions for themselves and their customers. Of the \$4,247,000 subscriptions, \$4,071,000 were paid in cash and \$176,000 in Treasury certificates of indebtedness. Schedule 24 shows the subscriptions received from each class of banking institution and from each state, and the methods of payment for the subscriptions to these bonds.

The Federal Reserve Bank has also attended to the redemption and cancellation of the maturing coupons from the War Finance Corporation bonds.

During the year \$1,654,000 par value of these bonds were repurchased by the War Finance Corporation through the Federal Reserve Bank of St. Louis. \$15,648,000 in various issues of United States Treasury certificates of indebtedness were also purchased for account of the War Finance Corporation at various times. These security purchases have assisted the financial situation through the assimilation of excess securities carried by banks.

#### POSITION OF COMMERCIAL BANKS AS A RESULT OF WAR FINANCING.

A total of \$201,787,600 of Victory Liberty loan bonds were allotted to the banks in district No. 8, which, with the \$710,804,500 bonds of the four previous issues, makes a total of \$912,592,100 of Liberty bonds sold in this district. The total amount of certificates of indebtedness taken by this district to December 31, 1919, was \$832,883,000, but of these certificates all had matured and been paid by the Government



except \$134,902,000. These outstanding certificates added to the amount of Liberty bonds sold, makes a total of \$1,047,494,100 of war obligations outstanding in this district at the end of 1919.

While the banks were urged to purchase the short-term certificates of indebtedness as issued, they have been discouraged from tying up their commercial deposits in long-term Government bonds, and the statistics available show that by far the greater portion of the bonds sold in this district have been absorbed by the general public.

The thirty-five reporting banks in the five centers, St. Louis, Louisville, Memphis, Little Rock and Evansville, which are the largest banks in the district, on December 26, 1919, held \$5,501,000 of Victory notes, \$14,782,000 of other Liberty bonds and \$22,247,000 of certificates of indebtedness, making a total of \$42,530,000 war obligations, which is \$29,014,000 less than the amount held by them at the end of 1918. This would indicate that out of the total of \$1,047,494,100 war obligations outstanding in this district, close to a billion dollars has been absorbed by the public or gone to other districts.

On December 26, 1919, the total investments and loans of these thirty-five reporting banks, including the paper they had re-discounted with the Federal Reserve Bank, amounted to \$591,306,000. Of this amount only \$79,079,000, or 13 per cent, consisted of Government war obligations and loans secured by war obligations.

Schedule 25 is a comparative statement showing the changes from month to month during the year in the principal resources and liabilities of the thirty-five reporting banks in the five centers above mentioned.

The total borrowings of all member banks from the Federal Reserve Bank on December 31, 1919, amounted to \$77,679,473.26. Of this sum, \$45,068,227.23, or 58 per cent, was secured by Government war obligations. At the close of 1918, the total paper discounted with the Federal Reserve Bank amounted to \$70,702,653.85, of which \$53,117,641.50, or 75 per cent, was secured by Government obligations. This shows that a substantial amount of war paper was liquidated in this district during the year 1919.

#### GENERAL BUSINESS CONDITIONS DURING 1919.

The year 1919 began with business readjusting itself to peace conditions and feeling its way cautiously toward an uncertain future. There was a tendency in some quarters to buy only for immediate needs, but a tone of optimism prevailed which led most dealers to anticipate greater activity later in the year. The public at large cherished the belief that the end of the war would bring lower prices, and deferred making purchases in expectation of them.



However, the accumulated wants resulting from various war restrictions and economies and the strong retail demand consequent on the return to civil life of great numbers of soldiers created a great need of merchandise. This, coupled with unusual buying power due to savings during the war, high wages, high prices for farm products, and also to many released soldiers having a considerable amount of money to spend, caused the volume of business to grow steadily from month to month.

It soon became apparent that there was a scarcity of goods. Wholesalers and jobbers were unable to fill the orders of the retailers. Manufacturers were not prepared to meet the unexpected demands of the middlemen; they could not secure sufficient raw materials, and production was further hampered by labor difficulties. The advancing market caused many buyers to order more than they needed, so as to avoid rising prices, and this kited prices still higher.

A sellers' market developed in which the sellers could practically make their own terms and allot their products to whom they pleased. This, naturally, resulted in a considerable shortening of credits, and collections were exceptionally good. The year closed with production increased, but still lagging behind the exceptionally large orders waiting to be filled. As a result of this, there is apparently sufficient momentum to insure prosperity for several months to come.

The prosperity of the district was due in large measure to the high prices received for its farm products. While the cotton crop was short, the fifth short crop in succession, yet the exceptionally high prices made up to producers in value whatever they might have lost in quantity. The winter wheat crop, which was expected to be unusually large, was disappointing, as the quality of the grain was inferior to last year's. The yield of tobacco was larger than usual, but the quality was variable. As with cotton, however, prices were higher than ordinary. The corn crop was somewhat larger than last year's and also beyond the five-year average. The apple yield was very satisfactory.

One of the outstanding features of the past year was the general labor unrest. At the beginning of the year it appeared as though the demobilization of the soldiers would cause a serious labor surplus, but the various agencies created to help find positions for the men, and the fine spirit displayed by many concerns in taking back their former employees, soon eliminated any possible danger from that source.

With the rapid development of business, the labor surplus was converted at the beginning of summer into a shortage. This, together

with numerous small strikes and other labor difficulties, interfered with business considerably. While the labor unrest was, to a considerable extent, the reflection of unsettled conditions elsewhere, it no doubt was also a natural consequence of the reaction to the constraint and routine of war discipline. However, the district was particularly fortunate in that it had no serious labor troubles. The strikes of the steel workers and of the soft coal miners caused no grievous injury to industry as a whole. Concerns were functioning normally again soon after the strikes ended.

In spite of the shortage of goods, impaired transportation facilities and the labor unrest, practically every line of business prospered during 1919. The business of many concerns was far greater than they had ever had before, both in volume and value. The increased money value of transactions resulted in a heavy call upon the banks for funds, which is evident from their rediscount operations with the Federal Reserve Bank. Schedule 25 shows the condition of reporting banks in the principal cities of the district throughout the year. It will be observed that from January 3 to December 26 demand deposits in these banks increased \$50,204,000, time deposits \$31,793,000 and total loans and investments \$93,684,000. During the same period the total United States securities owned by these banks decreased \$28,991,000.

The interest and discount rates charged by banks in the centers did not vary much from 6% during the year. The customary discount and interest rates prevailing in St. Louis, Louisville, Memphis and Little Rock each month are shown in Schedule 26.

At the beginning of the year the commercial paper market was rather dull, with rates at  $5\frac{1}{4}\%$  to  $5\frac{1}{2}\%$ , but it became more active as business developed and rates tended gradually higher. At the close of the year, rates had reached 6%, and business was active. City banks bought very little paper, but country banks, when the local call upon them for loanable funds was not exacting, were good buyers.

Firms dealing in bankers' acceptances report a large volume of business during the year.

EXHIBIT A.—*Movement of principal earning assets of the Federal Reserve Bank of St. Louis, during the calendar year 1919.*

(In thousands of dollars: i. e., 000 omitted)

		Dis- counted paper secured by United States War obli- gations	Other dis- counted paper	1 & 2	Per cent 1÷3	Bills bought in open market	Total bills dis- counted and bought	U. S. Securi- ties	Total earn- ing assets
Jan.	3.....	\$55,585	\$17,258	\$72,843	76.3	\$8,743	\$81,586	\$7,721	\$89,307
	10.....	56,196	14,492	70,688	79.5	8,334	79,022	8,221	87,243
	17.....	43,537	13,165	61,752	78.7	7,493	69,245	8,221	77,466
	24.....	50,088	10,883	60,971	82.2	6,820	67,791	8,221	76,012
	31.....	44,445	9,149	53,594	82.0	8,298	61,892	8,221	70,113
Feb.	7.....	41,737	8,454	50,191	83.2	8,649	58,840	8,221	67,061
	14.....	43,025	7,279	50,304	85.5	15,268	65,572	8,222	73,794
	20.....	45,248	8,365	53,603	84.4	17,991	71,594	8,721	80,315
	28.....	49,282	9,215	58,497	84.2	17,455	75,952	9,222	85,174
Mar.	7.....	54,968	8,343	63,311	86.8	17,943	81,254	9,222	90,476
	14.....	57,931	8,197	66,128	87.6	17,366	83,494	9,221	92,715
	21.....	77,274	8,627	85,901	89.9	14,278	100,179	10,221	110,400
	28.....	66,536	11,820	78,356	84.9	13,453	91,809	11,221	103,030
Apr.	4.....	73,806	10,896	84,702	87.1	13,334	98,036	12,721	110,757
	11.....	73,068	9,620	82,688	88.4	11,052	93,740	13,221	106,961
	18.....	71,320	9,325	80,645	88.4	8,476	89,121	13,221	102,342
	25.....	71,774	9,074	80,848	88.8	5,976	86,824	14,221	101,045
May	2.....	68,052	9,680	77,732	87.5	4,263	81,995	14,721	96,716
	9.....	59,592	8,003	67,595	88.2	3,806	71,401	15,343	86,744
	16.....	56,384	8,241	64,625	87.2	3,668	68,293	15,835	84,128
	23.....	61,625	8,726	70,351	87.6	4,443	74,794	15,835	90,629
	29.....	61,623	8,350	69,973	88.1	4,264	74,237	16,335	90,572
June	6.....	53,956	9,567	63,523	84.9	5,360	68,883	20,335	89,218
	13.....	62,903	10,436	73,339	85.8	4,108	77,447	17,335	94,782
	20.....	58,579	10,070	68,649	85.3	6,893	75,542	17,830	93,372
	27.....	56,405	9,693	66,098	85.3	7,396	73,494	18,221	91,715
July	3.....	42,634	11,159	53,793	79.3	8,505	62,298	18,221	80,519
	11.....	47,711	10,490	58,201	82.0	8,973	67,174	18,221	85,395
	18.....	46,636	11,602	58,238	80.1	8,523	67,061	18,221	85,282
	25.....	49,853	10,950	60,808	82.0	8,873	69,681	18,221	87,902
Aug.	1.....	63,507	10,732	74,239	85.6	9,842	84,081	18,221	102,302
	8.....	59,490	10,271	69,761	85.3	9,612	79,373	18,221	97,594
	15.....	53,513	9,224	62,737	85.3	9,817	72,554	18,221	90,775
	22.....	60,095	9,453	69,548	86.4	8,500	78,053	18,221	96,274
	29.....	51,496	10,162	61,658	83.5	11,101	72,759	18,221	90,980
Sept.	5.....	59,552	10,768	70,320	84.7	15,274	85,594	18,221	103,815
	12.....	60,400	14,230	74,630	80.9	14,918	89,548	18,221	107,769
	19.....	57,715	19,228	76,943	75.0	14,017	90,960	18,222	109,182
	26.....	60,181	24,357	84,538	71.2	11,077	95,615	18,221	113,836
Oct.	3.....	59,685	32,473	92,158	64.8	9,106	101,264	18,221	119,485
	10.....	58,096	32,189	90,284	64.3	7,343	97,627	18,221	115,848
	17.....	56,966	26,059	83,025	68.6	7,444	90,469	18,252	108,721
	24.....	58,424	22,231	80,655	72.4	6,213	86,868	18,252	105,120
	31.....	53,748	23,826	77,574	69.3	9,634	87,208	18,221	105,429
Nov.	7.....	48,297	21,977	70,274	68.7	18,544	88,818	18,237	107,055
	14.....	43,055	21,192	64,247	67.0	28,581	92,828	18,229	111,057
	21.....	45,614	23,273	68,887	66.2	29,077	97,964	18,622	116,586
	28.....	49,151	24,150	73,301	67.1	33,638	106,939	18,519	125,458
Dec.	5.....	43,519	31,328	74,847	58.1	31,149	105,996	18,453	124,449
	12.....	36,126	31,270	67,396	53.6	31,971	99,367	18,291	117,658
	19.....	43,501	27,621	71,122	61.2	37,112	108,234	18,462	126,696
	26.....	44,142	34,093	78,235	56.4	36,936	115,171	18,369	133,540



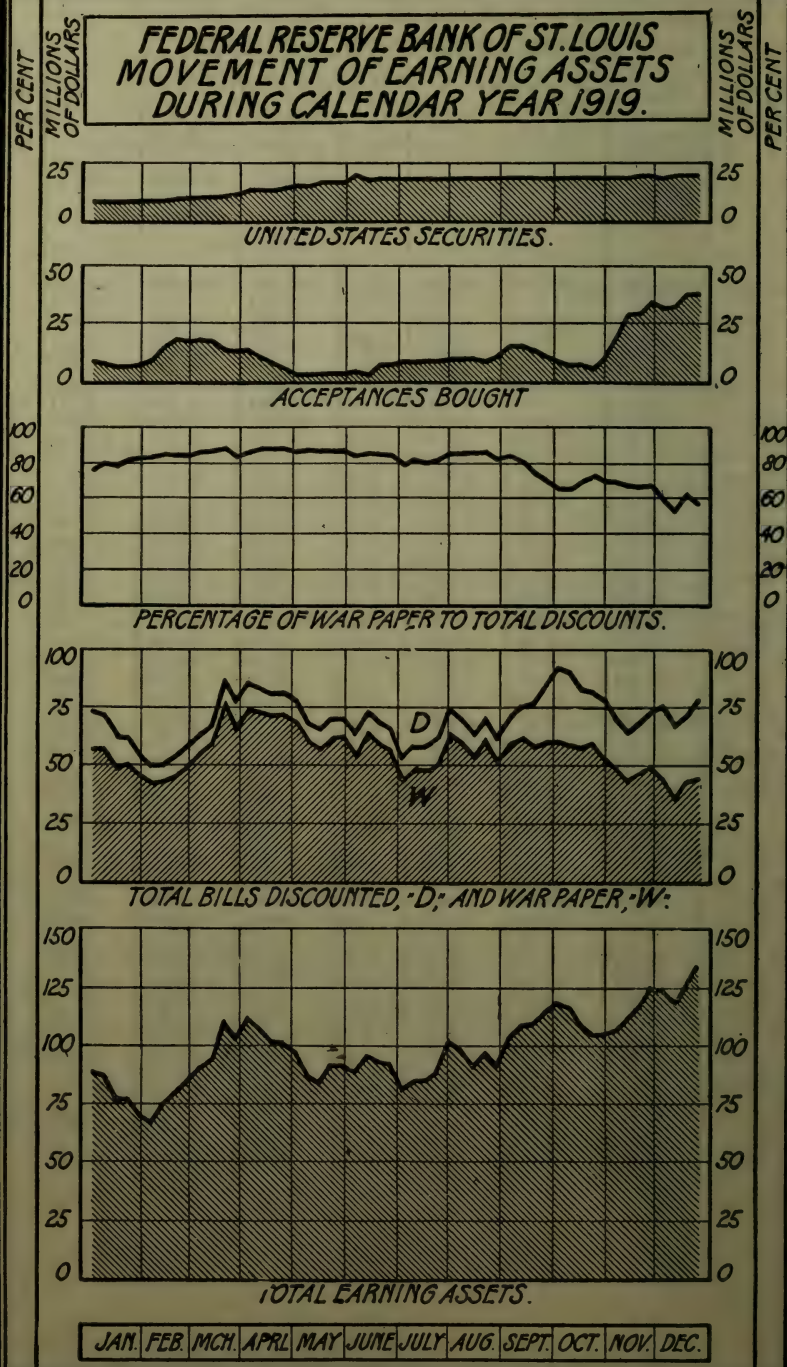
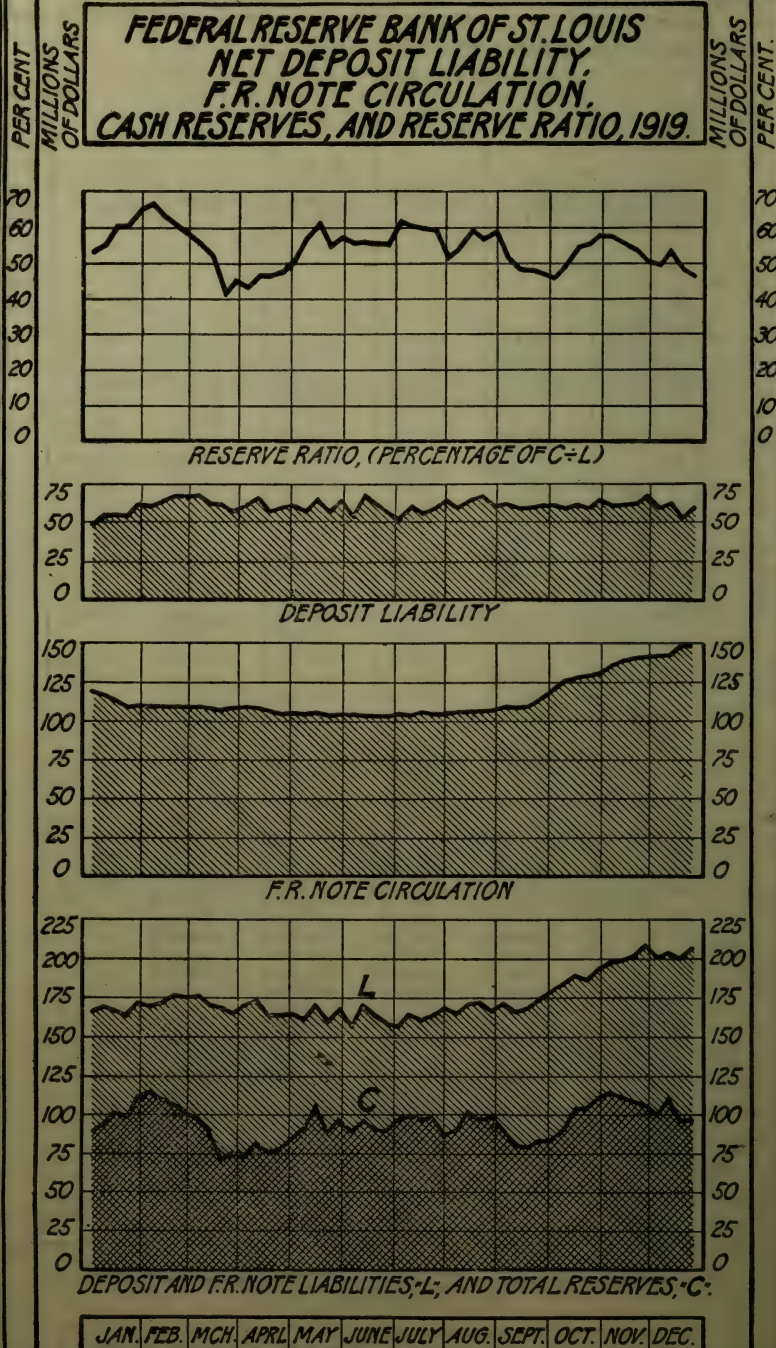


EXHIBIT B.—*Movement of gold and cash reserves, Federal Reserve note and net deposit liabilities, and the reserve percentage of the Federal Reserve Bank of St. Louis during the calendar year 1919.*

[In thousands of dollars: 1, e., 000 omitted]

	Gold reserves	Cash reserves	F. R. notes in actual circulation	Net deposits	(3+4)	Ratio of cash re- serves to net deposit and Fed- eral Re- serve note liabilities combined
Jan. 3.....	\$86,587	\$88,971	\$119,139	\$48,120	\$167,259	63.2%
10.....	90,562	92,863	116,141	52,795	168,936	55.0
17.....	98,642	100,907	112,949	54,267	167,216	60.3
24.....	96,452	98,862	109,126	54,427	163,553	60.4
31.....	109,928	112,486	109,367	62,314	171,681	65.5
Feb. 7.....	111,103	113,567	109,442	59,987	169,429	67.0
14.....	107,557	109,868	109,282	63,064	172,346	63.7
20.....	104,882	107,114	108,979	66,926	175,905	60.9
28.....	99,782	101,987	108,838	66,597	175,435	58.1
Mar. 7.....	95,017	97,322	108,431	67,200	175,631	55.4
14.....	86,908	89,218	107,708	61,850	169,558	52.6
21.....	68,374	70,572	107,025	61,251	168,276	41.9
28.....	72,925	75,080	108,015	56,568	164,583	45.6
Apr. 4.....	71,349	73,527	109,222	60,637	169,859	43.3
11.....	78,638	80,866	107,763	65,107	172,870	46.8
18.....	73,762	76,010	106,357	56,350	162,707	46.7
25.....	75,438	77,717	104,095	58,481	162,576	47.8
May 2.....	82,351	84,719	105,020	59,557	164,577	51.5
9.....	89,236	91,672	104,081	56,920	161,001	56.9
16.....	101,684	103,911	105,491	64,369	169,860	61.2
23.....	85,851	88,059	103,365	56,959	160,324	54.9
29.....	93,173	95,482	104,180	62,933	167,113	57.1
June 6.....	85,148	87,505	103,909	53,535	157,444	55.6
13.....	92,546	95,193	103,159	67,221	170,380	55.9
20.....	88,019	90,908	102,740	61,722	164,462	55.3
27.....	84,856	87,906	102,860	56,313	159,173	55.2
July 3.....	92,970	96,233	104,350	52,179	156,529	61.5
11.....	95,877	99,438	103,883	60,281	164,164	60.6
18.....	92,401	96,223	105,629	54,995	160,624	59.9
25.....	93,299	97,517	104,729	59,693	164,422	59.3
Aug. 1.....	82,340	86,834	105,109	62,682	167,791	51.8
8.....	84,769	89,305	106,004	59,223	165,227	54.0
15.....	96,787	101,329	106,387	64,159	170,546	59.4
22.....	92,494	97,014	106,260	65,324	171,584	56.5
29.....	93,299	98,102	107,152	60,040	167,192	58.7
Sept. 5.....	83,696	88,777	108,532	62,205	170,737	52.0
12.....	74,967	80,239	108,039	58,025	166,064	48.3
19.....	74,803	80,465	109,030	58,615	167,645	48.0
26.....	76,415	82,517	113,392	60,704	174,096	47.4
Oct. 3.....	76,741	82,729	120,420	59,494	179,914	46.0
10.....	84,820	90,774	126,438	57,725	184,163	49.3
17.....	97,295	103,029	128,315	61,018	189,333	54.4
24.....	98,362	103,896	128,611	58,052	186,663	55.7
Nov. 1.....	106,060	111,227	130,760	62,908	193,668	57.4
7.....	108,059	112,893	135,580	61,324	196,904	57.3
14.....	105,937	110,781	138,282	60,495	198,777	55.7
21.....	103,510	108,462	139,634	62,421	202,055	53.7
28.....	100,948	105,748	141,009	67,077	208,086	50.8
Dec. 5.....	95,206	99,950	142,049	59,343	201,392	49.6
12.....	106,099	109,466	142,710	61,712	204,422	53.5
19.....	92,109	95,668	147,704	52,278	199,982	47.8
26.....	94,267	96,507	148,452	59,038	207,490	46.5







SCHEDULE 1.—Comparative profit and loss statements of Federal Reserve Bank of St. Louis, including branches, for years 1918 and 1919.

	1919	1918
<b>Earnings from—</b>		
Bills discounted for members and other Federal Reserve Banks.....	\$2,918,462.08	\$2,218,063.61
Bills purchased—acceptances .....	564,495.64	226,163.86
United States securities.....	320,411.78	89,096.26
Transfers—net earnings .....	10,570.02	48,209.16
Deficient reserve penalties (including interest) .....	52,372.89	52,106.85
Sundry profits .....	18,165.88	11,404.14
Bill of lading drafts.....	.....	5,703.16
Service and collection charges.....	.....	26,076.31
All other .....	.....	.....
<b>Total earnings .....</b>	<b>3,884,478.29</b>	<b>2,676,828.35</b>
<b>Expenses—</b>		
Current expenses.. { Operating .....	\$808,783.53	\$472,885.40
{ Furn. & equip. ....	73,798.23	87,391.10
{ charged off ....	24,981.38	18,397.54
Federal Reserve Board assessments...	267,230.12	147,347.07
Cost of Federal Reserve currency.....	1,174,793.26	726,021.11
<b>Current net earnings .....</b>	<b>2,709,685.03</b>	<b>1,950,807.24</b>
<b>Deductions account of—</b>		
Reserve for Federal Reserve Board assessments, January-June, 1920....	\$ 19,519.44	.....
Bank premises cost reduced.....	335,000.00	.....
Depreciation United States securities.....	.....	\$172,997.00
All other .....	11.68	.....
	354,531.12	172,997.00
<b>Net earnings available for dividends, surplus, etc., December 31st.....</b>	<b>2,355,153.91</b>	<b>1,777,810.24</b>
Dividends paid .....	234,659.91	404,837.60
<b>Balance transferred to surplus.....</b>	<b>2,120,494.00</b>	<b>1,372,972.64</b>
Surplus previous year .....	1,603,311.22	230,338.58
<b>Surplus at end of year.....</b>	<b>3,723,805.22</b>	<b>1,603,311.22</b>

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SCHEDULE 2.—Comparative balance sheets of Federal Reserve Bank of St. Louis,  
including branches, as of December 31, 1918, and 1919.

RESOURCES	Dec. 31, 1919	Dec. 31, 1918
Reserve cash—		
Gold deposited with F. R. agent.....	\$61,624,715.00	\$66,673,935.00
Gold settlement fund.....	17,887,751.75	12,474,094.62
Gold redemption fund against F. R. notes.....	6,132,620.00	3,369,850.00
Gold coin and gold certificates.....	2,757,127.50	4,056,010.00
Sterling gold account.....	6,172,049.99	233,154.97
Other lawful money.....	2,353,895.50	2,449,950.40
	96,928,159.74	89,256,994.89
Deductions from gross deposits—		
Exchange for Clearing House.....	3,460,255.75	1,735,820.86
Collection items.....	61,717,611.15	38,731,733.06
National bank notes and bank notes of other		
F. R. banks.....	818,502.00	3,921,420.00
F. R. notes of other F. R. banks.....	1,957,805.00	.....
Unassorted currency.....	5,888,621.00	.....
	73,842,794.90	44,388,973.92
Earning assets—		
Bills discounted—members.....	77,679,473.26	70,702,653.85
Acceptances bought.....	32,803,679.36	7,293,087.96
U. S. bonds owned.....	1,153,400.00	1,153,400.00
U. S. Certificates of Indebtedness securing circula- tion F. R. bank notes.....	17,068,000.00	6,568,000.00
U. S. Certificates of Indebtedness other.....	170,000.00	.....
	128,874,552.62	85,717,141.81
Other assets—		
Interest accrued U. S. bonds and treasury notes.....	181,755.28	33,499.35
Deferred charges.....	17,263.35	8,551.80
Fiscal agent expenses due from U. S. Treasury.....	105,203.98	448,223.89
Real estate owned.....	355,736.50	.....
Due from War Finance Corporation.....	1,252.95	.....
Unmatured Government coupons.....	111.81	.....
Five per cent fund against F. R. bank notes.....	672,800.00	317,400.00
Overdrafts.....	1,046.64	.....
Nickels and cents.....	113,486.98	18,608.39
	1,448,657.49	826,283.43
Total resources.....	301,094,164.75	220,189,394.05
LIABILITIES	Dec. 31, 1919	Dec. 31, 1918
Federal Reserve notes—actual circulation.....	\$145,298,330.00	\$120,037,040.00
Gross deposits—		
U. S. Government deposits.....	2,352,383.96	3,333,007.84
Due to branches (net).....	.....	2,178,523.27
Due to member banks—reserve account.....	72,282,788.29	52,830,678.16
Due to non-member banks—clearing account.....	348,498.56	201,070.66
Cashiers' checks.....	199,436.62	1,750,667.31
Collection items.....	30,981,102.37	20,425,347.21
Gold settlement fund, suspense account.....	22,401,610.62	7,484,495.01
Foreign government credits.....	3,397,820.65	.....
	131,963,641.07	88,203,789.46
Federal Reserve bank note issue (secured by Certificates of Indebtedness) actual circulation.....	15,498,324.00	6,216,000.00
Reserves—Sundry expenses.....	56,180.04	5,898.75
F. R. Board assessments.....	19,519.44	.....
Depreciation on U. S. bonds.....	172,997.00	172,997.00
	248,696.48	178,895.75
Unearned discount and interest.....	296,691.41	149,980.73
Difference account.....	226.57	776.89
	296,917.98	150,757.62
Capital paid in.....	4,064,450.00	3,799,600.00
Surplus.....	3,723,805.22	1,603,311.22
	7,788,255.22	5,402,911.22
Total liabilities.....	301,094,164.75	220,189,394.05

**SCHEDULE 3.—Volume of the different classes of paper discounted for member banks by the Federal Reserve Bank of St. Louis and its branches during the year 1919 (exclusive of paper rediscounted for other Federal Reserve banks, and bankers' acceptances purchased).**

	St. Louis Parent Bank	Louisville Branch	Memphis Branch	Little Rock Branch	Totals
Member banks' collateral notes secured by Government war obligations . . . . .	\$1,114,790,565.50	\$431,383,303.03	\$237,353,039.63	\$78,636,565.00	\$1,862,163,473.16
Member banks' collateral notes otherwise secured . . . . .	3,742,500.00	65,000.00	235,000.00	.....	4,042,500.00
Customers' paper secured by Government war obligations . . . . .	15,917,031.29	2,999,247.83	12,081,996.46	2,084,430.89	33,082,706.47
Customers' paper secured by Government war obligations . . . . .	3,347,025.98	13,000.00	550,007.61	850,048.65	4,762,082.24
Agricultural and live stock paper . . . . .	2,716,646.92	806,902.86	2,140,370.71	2,282,259.51	7,946,180.00
Trade acceptances . . . . .	111,008,829.43	31,216,631.30	33,934,846.34	12,473,447.07	188,633,653.64
Other discounts . . . . .	1,251,522,599.12	466,485,985.02	286,295,260.25	96,326,751.12	2,100,630,595.51
<b>Totals</b> . . . . .					

**SCHEDULE 4.—Volume of paper discounted by Federal Reserve Bank of St. Louis, including branches, for member banks in each state each month, and the number of different banks in each state discounting during the year 1919.**

	January	February	March	April	May	June	July
Arkansas . . . . .	\$8,664,964.10	\$9,308,166.78	\$11,956,488.97	\$12,691,645.04	\$15,861,001.70	\$13,349,043.94	\$11,256,595.45
Illinois . . . . .	1,630,200.00	2,205,696.50	6,721,783.10	7,109,549.81	4,207,850.00	5,507,878.60	5,288,000.00
Indiana . . . . .	4,299,595.37	3,817,300.00	4,310,848.04	3,737,700.00	3,893,100.00	2,401,700.00	2,757,484.17
Kentucky . . . . .	16,946,864.25	4,825,500.00	27,957,600.00	25,911,650.00	40,063,027.35	40,336,950.00	32,682,587.45
Mississippi . . . . .	844,421.05	692,156.02	714,327.13	759,639.26	3,687,951.53	749,000.00	885,000.00
Missouri . . . . .	88,591,338.02	80,551,218.93	111,904,456.79	122,800,653.43	115,551,373.31	88,091,746.81	73,913,661.04
Tennessee . . . . .	18,223,661.84	14,177,826.63	21,561,036.63	23,916,425.86	21,899,239.46	20,608,288.86	20,133,314.97
<b>Totals</b> . . . . .	139,201,034.63	115,777,864.86	185,126,940.66	197,127,063.39	205,165,543.85	171,043,610.21	146,827,157.09



SCHEDULE 4.—Volume of paper discounted by Federal Reserve Bank of St. Louis, including branches, for member banks in each state each month, and the number of different banks in each state discounting during the year 1919—Continued.

	August	September	October	November	December	Total amount discounted during 1919	Total different banks dis-counting	Total member banks Dec. 31, 1919
Arkansas	\$12,440,247.28	\$18,807,283.13	\$16,896,237.08	\$10,143,497.30	\$12,076,818.07	\$153,651,990.84	65	104
Illinois	3,412,600.00	6,979,970.16	8,841,400.00	7,537,272.05	9,355,632.18	69,357,782.40	93	168
Indiana	2,985,013.46	4,230,199.99	3,988,342.37	3,977,512.30	4,960,698.63	45,331,508.83	23	66
Kentucky	45,961,935.28	49,145,426.38	68,548,670.49	64,128,106.95	45,033,176.86	461,550,185.02	36	66
Mississippi	814,663.34	1,195,187.55	1,843,435.37	1,465,000.00	1,714,086.85	15,836,868.09	7	15
Missouri	70,439,864.45	101,606,405.84	92,648,207.33	69,093,118.82	87,213,359.06	1,102,465,904.33	65	98
Tennessee	16,305,959.02	26,400,227.09	27,517,826.57	23,766,256.36	18,425,792.71	252,936,356.00	16	23
Totals	152,420,282.83	208,364,700.14	220,286,019.71	180,110,763.78	179,379,614.36	2,100,650,595.51	305	540

SCHEDULE 5.—Paper rediscounted by Federal Reserve Bank of St. Louis for other Federal Reserve Banks each month during 1919 (exclusive of bankers' acceptances purchased from other Federal Reserve Banks).

	Discounts acquired from Philadelphia F. R. Bank	Discounts acquired from Richmond F. R. Bank	Totals
January			
February			
March			
April			
May			
June	\$5,000,000	\$5,000,000	\$10,000,000
July	10,000,000		10,000,000
August	30,000,000		30,000,000
September		20,000,000	20,000,000
October		51,709,000	51,709,000
November		10,000,000	10,000,000
December	8,500,000		8,500,000
Totals	53,500,000	86,709,000	140,209,000

SCHEDULE 6.—Discount rates of Federal Reserve Bank of St. Louis during 1919.

	Jan. 1, 1919	Apr. 4, 1919	June 5, 1919	Nov. 7, 1919	Dec. 19, 1919
<b>Rates in effect:</b>					
Member banks' 15-day collateral notes:					
Secured by Liberty bonds or certificates of indebtedness.....	4%	4%	4%	4½%	4½%
Secured by Liberty bonds, Victory notes or 4½% certificates of indebtedness.....	.....	.....	.....	4½%	4½%
Secured wholly by 4½% certificates of indebtedness.....	.....	.....	.....	4½%	4½%
Secured by Liberty bonds or Victory notes.....	.....	.....	.....	5½%	5½%
Secured by certificates of indebtedness.....	.....	.....	.....	4½%	4½%
Secured by War Finance Corporation bonds.....	.....	.....	.....	.....	.....
Secured by bills receivable.....	4%	4%	4%	.....	.....
<b>Rediscounts:</b>					
Secured by Liberty bonds or certificates of indebtedness—					
15 days or less.....	4%	4%	4%	.....	.....
16 to 90 days.....	4½%	4½%	4½%	.....	.....
Secured by Liberty bonds, Victory notes or 4½% cfs. of indebtedness, 90 days or less..	.....	.....	.....	4½%	4½%
Secured wholly by 4½% certificates of indebtedness, 90 days or less.....	.....	.....	.....	.....	.....
Secured by Liberty bonds or Victory notes.....	.....	.....	.....	.....	.....
Secured by certificates of indebtedness.....	.....	.....	.....	.....	.....
Secured by War Finance Corporation bonds—					
15 days or less.....	.....	5%	5%	5½%	5½%
16 to 90 days.....	.....	5½%	5½%	5½%	5½%
<b>Commercial paper—</b>					
15 days or less.....	4%	4%	4%	4½%	4½%
16 to 90 days.....	4½%	4½%	4½%	4½%	4½%
<b>Agricultural or livestock paper—</b>					
15 days or less.....	4%	4%	4%	4½%	4½%
16 to 90 days.....	4½%	4½%	4½%	4½%	4½%
91 days to 6 months.....	5½%	5½%	5½%	5½%	5½%
<b>Trade acceptances—</b>					
15 days or less.....	4%	4%	4%	4½%	4½%
16 to 90 days.....	4½%	4½%	4½%	4½%	4½%

Bankers' acceptances purchased at the market rate, subject to agreement.

SCHEDULE 7.—*Bankers' acceptances purchased in open market and from other Federal Reserve Banks each month during 1919.*

Month	By St. Louis parent bank from mem- ber banks	By parent bank from dealers in St. Louis market	By Louisville branch from members	By Memphis branch from members	By Little Rock branch from members	Through Federal Re- serve Bank New York	Direct from Federal Re- serve Bank New York	Direct from Federal Re- serve Bank Boston	Totals
January	\$2,011,911.76	\$6,786,763.35	.....	.....	.....	\$1,401,214.70	.....	.....	\$10,199,889.81
February	5,850,344.71	1,699,264.76	.....	\$40,000.00	.....	3,846,184.39	.....	\$5,071,019.60	16,416,813.46
March	5,292,814.22	3,665,052.82	.....	44,341.72	.....	.....	.....	.....	9,925,288.25
April	2,399,487.59	2,599,886.08	\$923,079.49	100,167.91	.....	222,141.74	.....	.....	5,353,983.32
May	1,961,980.61	3,334,667.90	32,300.00	.....	.....	250,000.00	.....	.....	5,546,648.51
June	4,909,253.51	3,775,318.44	.....	.....	.....	.....	.....	.....	8,684,571.95
July	5,173,688.22	2,372,286.15	.....	.....	.....	.....	.....	.....	7,445,974.37
August	4,624,853.40	2,844,986.78	.....	.....	.....	.....	.....	.....	7,469,809.18
September	4,637,732.14	2,522,407.86	.....	53,134.79	.....	.....	.....	.....	7,213,274.79
October	4,117,722.44	3,110,301.75	48,088.17	36,859.48	\$3,331.12	.....	\$5,014,951.87	.....	8,624,354.83
November	3,026,965.80	2,227,938.59	70,432.10	.....	.....	.....	10,056,381.91	15,117,718.43	30,499,436.83
December	4,538,757.86	822,995.00	.....	.....	.....	.....	.....	5,061,119.16	10,442,872.02
Totals	44,869,512.26	35,571,838.48	1,073,899.76	274,503.90	3,331.12	5,719,540.83	15,070,433.78	25,249,857.19	127,822,917.32



**SCHEDULE 8.—Banks admitted to membership in Federal Reserve Bank of St. Louis, and banks consolidated, liquidated, etc., during 1919.**

**NEW NATIONAL BANK MEMBERS.**

Name	Location	Paid-in capital when admitted	Surplus when admitted
First National Bank.....	Black Rock, Ark.....	\$25,000	\$2,500
First National Bank.....	Dardanelle, Ark.....	25,000	2,500
Arkansas National Bank.....	Heber Springs, Ark.....	25,000	2,500
First National Bank.....	Lake Village, Ark.....	25,000	4,000
First National Bank.....	Lepanto, Ark.....	19,250	3,500
St. Clair National Bank.....	Belleville, Ill.....	150,000	30,000
Flora National Bank.....	Flora, Ill.....	65,000	4,000
Waltonville National Bank.....	Waltonville, Ill.....	30,000	3,000
National Bank of Munfordville.....	Munfordville, Ky.....	25,000	2,500
First National Bank.....	Russell Springs, Ky.....	25,000	5,000
First National Bank.....	Dexter, Mo.....	50,000	.....
First National Bank.....	Perryville, Mo.....	25,000	4,000
First National Bank.....	Stoutland, Mo.....	25,000	.....
First National Bank.....	Sweet Springs, Mo.....	50,000	5,000

**STATE BANKS AND TRUST COMPANIES ADMITTED TO MEMBERSHIP DURING 1919.**

Name	Location	Capital and surplus when admitted	Total resources when admitted
Desha Bank & Trust Co.....	Arkansas City, Ark.....	\$200,000	\$1,134,163
Citizens Bank & Trust Co.....	Batesville, Ark.....	62,500	505,775
Union Bank & Trust Co.....	Batesville, Ark.....	84,000	879,276
Dardanelle Bank & Trust Co.....	Dardanelle, Ark.....	60,000	424,880
Merchants & Farmers Bank.....	Dumas, Ark.....	63,250	314,424
Bank of Commerce.....	El Dorado, Ark.....	55,000	55,000
Citizens Bank & Trust Co.....	England, Ark.....	110,000	465,912
Chicot Bank & Trust Co.....	Lake Village, Ark.....	121,000	796,388
W. B. Worthen & Co., Bankers.....	Little Rock, Ark.....	400,000	1,876,494
Columbia County Bank.....	Magnolia, Ark.....	61,500	569,271
Farmers Bank & Trust Co.....	Magnolia, Ark.....	78,000	757,673
Cotton Belt Savings & Trust Co.....	Pine Bluff, Ark.....	140,000	901,561
First State Bank.....	Prescott, Ark.....	51,500	305,616
Warren Bank.....	Warren, Ark.....	95,000	495,019
Belleville Savings Bank.....	Belleville, Ill.....	550,000	4,239,859
Union Trust & Savings Bank.....	E. St. Louis, Ill.....	250,000	2,470,781
State Bank of Lebanon.....	Lebanon, Ill.....	55,000	288,931
Clay County State Bank.....	Louisville, Ill.....	32,500	192,067
Union Trust Co.....	Madison, Ill.....	50,000	50,000
Lincoln Savings Bank & Trust Co.....	Louisville, Ky.....	600,000	3,117,261
Farmers & Commercial Savings Bank..	Clayton, Mo.....	82,500	82,500
Bank of Maplewood.....	Maplewood, Mo.....	56,050	473,097
Bank of Versailles.....	Versailles, Mo.....	82,000	577,984
Bank of Waynesville.....	Waynesville, Mo.....	30,000	562,378
First State Bank.....	Brownsville, Tenn.....	200,000	1,291,310
Farmers & Merchants Bank.....	Dyer, Tenn.....	58,941	331,188
Citizens Bank.....	Dyersburg, Tenn.....	100,000	866,231

**MEMBER BANKS CONSOLIDATED DURING 1919.**

Union Trust Co. and Mercantile Trust Co., both of Little Rock, consolidated under title of Union & Mercantile Trust Co.  
 American Southern National Bank, National Bank of Commerce, and National Bank of Kentucky, all of Louisville, Ky., consolidated under title of National Bank of Kentucky.  
 First National Bank and Farmers National Bank, both of Mayfield, Ky., consolidated under title of First National Bank.  
 St. Louis Union National Bank, Mechanics American National Bank, and Third National Bank, all of St. Louis, Mo., consolidated under title of First National Bank in St. Louis.

SCHEDULE 8.—*Banks admitted to membership in Federal Reserve Bank of St. Louis, and banks consolidated, liquidated, etc., during 1919—Continued.*

STATE BANKS WITHDRAWN FROM MEMBERSHIP DURING 1919

Name	Location	Disposition
Farmers & Merchants Bank.....	Hickman, Ky.....	Surrendered membership.
St. Louis Union Bank.....	St. Louis, Mo.....	Converted into St. Louis Union National Bank.

NATIONAL BANKS LIQUIDATED DURING 1919.

Name	Location	Disposition
Army National Bank.....	Belmont, Ark.....	Absorbed by American National Bank of Little Rock.
First National Bank.....	Benton, Ark.....	Absorbed by a State bank.
First National Bank.....	Heber Springs, Ark.....	Absorbed by a State bank.
American National Bank.....	Little Rock, Ark.....	Absorbed by a State bank.
First National Bank.....	Polo, Mo.....	Succeeded by a trust company.
First National Bank.....	Covington, Tenn.....	Succeeded by a State bank.

SCHEDULE 9.—*National banks granted fiduciary powers during 1919, under Section 11 (k) of the Federal Reserve Act, as amended by the Act of September 26, 1918.*

First National Bank, Batesville, Ark.	Farmers National Bank, Princeton, Ind.
Merchants National Bank, Fort Smith, Ark.	Peoples American National Bank, Princeton, Ind.
Arkansas National Bank, Hot Springs, Ark.	First National Bank, Seymour, Ind.
Citizens National Bank, Hot Springs, Ark.	Seymour National Bank, Seymour, Ind.
England National Bank, Little Rock, Ark.	Citizens National Bank, Danville, Ky.
First National Bank, Newport, Ark.	Farmers National Bank, Danville, Ky.
State National Bank, Texarkana, Ark.	First National Bank, Harrodsburg, Ky.
Edwardsville National Bank, Edwardsville, Ill.	Anderson National Bank, Lawrenceburg, Ky.
Farmers & Merchants National Bank, Nashville, Ill.	Lawrenceburg National Bank, Lawrenceburg, Ky.
First National Bank, Nashville, Ill.	Louisville National Banking Company, Louisville, Ky.
First National Bank, O'Fallon, Ill.	National Bank of Kentucky, Louisville, Ky.
First National Bank, Sparta, Ill.	City National Bank, Paducah, Ky.
First National Bank, Vandalia, Ill.	First National Bank, Carrollton, Mo.
First National Bank, Farmersburg, Ind.	Hannibal National Bank, Hannibal, Mo.
First National Bank, Jeffersonville, Ind.	Citizens National Bank, Kirksville, Mo.
New Albany National Bank, New Albany, Ind.	First National Bank, Ridgeway, Mo.
	State National Bank, St. Louis, Mo.

*National banks granted additional fiduciary powers under the Amendment of September 26, 1918, to Section 11 (k) of the Federal Reserve Act.*

Citizens National Bank, El Dorado, Ark.	First-Hardin National Bank, Elizabethtown, Ky.
First National Bank, Belleville, Ill.	First National Bank, Hopkinsville, Ky.
Ricker National Bank, Quincy, Ill.	National Bank of Commerce, St. Louis, Mo.
Old State National Bank, Evansville, Ind.	

SCHEDULE 10.—Amount of each denomination of Federal Reserve notes issued by Federal Reserve agent to Federal Reserve Bank of St. Louis each month during 1919.

	Fives	Tens	Twenties	Fifties	Hundreds
January . . . . .	\$400,000	\$1,320,000	\$680,000	\$200,000	.....
February . . . . .	1,040,000	1,240,000	1,760,000	500,000	\$100,000
March . . . . .	1,255,000	2,170,000	1,900,000	1,250,000	400,000
April . . . . .	1,100,000	960,000	.....	1,000,000	1,000,000
May . . . . .	1,460,000	1,920,000	3,040,000	1,550,000	200,000
June . . . . .	2,680,000	1,320,000	1,040,000	1,200,000	.....
July . . . . .	3,200,000	2,640,000	5,120,000	1,200,000	400,000
August . . . . .	4,700,000	5,440,000	1,360,000	.....	1,200,000
September . . . . .	6,640,000	7,400,000	5,600,000	100,000	100,000
October . . . . .	6,820,000	6,480,000	8,720,000	300,000	200,000
November . . . . .	4,100,000	5,400,000	8,080,000	350,000	300,000
December . . . . .	2,300,000	3,600,000	7,200,000	.....	.....
Totals . . . . .	35,695,000	35,890,000	44,500,000	7,650,000	3,900,000

	Five Hundreds	One Thousands	Five Thousands	Ten Thousands	Totals
January . . . . .	.....	.....	.....	.....	\$2,600,000
February . . . . .	.....	\$200,000	.....	\$250,000	5,090,000
March . . . . .	\$150,000	100,000	\$200,000	.....	7,425,000
April . . . . .	.....	100,000	.....	.....	4,160,000
May . . . . .	.....	100,000	.....	.....	8,270,000
June . . . . .	.....	.....	.....	.....	6,240,000
July . . . . .	100,000	50,000	.....	100,000	12,810,000
August . . . . .	.....	100,000	.....	.....	12,800,000
September . . . . .	70,000	90,000	.....	.....	20,000,000
October . . . . .	80,000	300,000	.....	.....	22,900,000
November . . . . .	100,000	200,000	.....	.....	18,530,000
December . . . . .	.....	100,000	.....	.....	13,200,000
Totals . . . . .	500,000	1,340,000	200,000	350,000	134,025,000

SCHEDULE 11.—Federal Reserve notes outstanding December 31, 1918, issued, returned and redeemed during 1919, and outstanding December 31, 1919.

	Outstanding December 31, 1918	Issued and re-issued during 1919	Returned by bank during 1919	Redeemed during 1919	Outstanding December 31, 1919
Fives . . . . .	\$23,814,385	\$35,695,000	\$1,165,000	\$22,317,580	\$36,026,805
Tens . . . . .	42,342,320	39,890,000	3,210,000	30,384,220	48,638,100
Twenties . . . . .	52,856,720	44,500,000	5,600,000	28,176,320	63,580,400
Fifties . . . . .	6,159,950	7,650,000	2,400,000	2,373,600	9,038,350
One hundreds . . . . .	3,946,500	3,900,000	1,500,000	850,700	5,495,800
Five hundreds . . . . .	.....	500,000	100,000	2,500	397,500
One thousands . . . . .	.....	1,340,000	140,000	6,000	1,194,000
Five thousands . . . . .	.....	200,000	100,000	.....	100,000
Ten thousands . . . . .	.....	350,000	100,000	.....	250,000
Totals . . . . .	129,119,875	134,025,000	14,315,000	84,110,920	*164,718,955

\*\$17,589,880 of Federal Reserve notes were held by the Federal Reserve Bank and its branches and \$1,830,745 were in transit to Washington for redemption, leaving \$145,298,330 in actual circulation at end of the year.



SCHEDULE 12.—*Comparative statements of Federal Reserve agent's accounts as of December 31, 1918, and 1919.*

RESOURCES	December 31, 1919	December 31, 1918
Federal Reserve notes on hand....	\$21,500,000.00	\$2,990,000.00
Federal Reserve notes outstanding.	164,718,955.00	129,119,875.00
Discounted paper pledged to secure Federal Reserve notes.....	110,358,070.82	75,085,896.31
Gold deposited to secure Federal Reserve notes—		
In hands of Federal Reserve agent .....	\$4,000,000.00	.....
In Federal Reserve agent's fund at Washington.....	53,930,600.00	\$64,130,600.00
In gold redemption fund at Washington .....	3,694,115.00	2,543,335.00
Unfit notes redeemed and destroyed by Comptroller (total).....	61,624,715.00	65,673,935.00
	113,381,045.00	29,270,125.00
Total .....	471,582,785.82	303,139,831.31
LIABILITIES		
Federal Reserve notes received from Comptroller (gross).....	299,600,000.00	161,380,000.00
Collateral received from Federal Reserve Bank—		
Discounted paper .....	110,358,070.82	75,085,896.31
Gold .....	61,624,715.00	66,673,935.00
Total .....	471,582,785.82	303,139,831.31

SCHEDULE 13.—*Federal Reserve notes received from other Federal Reserve Banks for redemption or credit and returned to other Federal Reserve Banks for redemption or credit by Federal Reserve Bank of St. Louis during 1919.*

Federal Reserve Bank of—	Received from	Returned to
Boston .....	\$1,207,350	\$1,098,561
New York .....	7,747,100	10,234,331
Philadelphia .....	1,526,500	2,037,751
Cleveland .....	1,993,200	6,237,961
Richmond .....	2,582,000	2,705,851
Atlanta .....	8,802,075	9,518,851
Chicago .....	13,102,000	25,107,081
Minneapolis .....	953,500	1,871,701
Kansas City .....	8,200,400	9,093,881
Dallas .....	2,805,705	5,496,841
San Francisco .....	1,550,095	2,157,441
Totals .....	50,469,925	75,559,281

SCHEDULE 14.—Federal Reserve bank notes outstanding December 31, 1918, issued and redeemed during 1919, and outstanding December 31, 1919.

	Outstanding December 31, 1918	New circula- tion issued in 1919	New notes issued in 1919 to replace unfit notes redeemed	Unfit notes redeemed during 1919	Outstanding December 31, 1919
Ones . . . . .	\$3,213,150	\$5,824,000	\$4,604,000	\$2,496,998	\$11,144,152
Twos . . . . .	996,700	1,512,000	224,000	587,002	2,146,698
Fives . . . . .	1,236,750	3,260,000	480,000	2,539,400	2,437,350
Tens . . . . .	993,400	.....	.....	512,600	480,800
Twenties . . . . .	.....	.....	400,000	.....	400,000
Total . . . . .	6,440,000	10,596,000	5,708,000	6,136,000	*16,608,000

\*\$1,109,676 of Federal Reserve bank notes were held by the Federal Reserve Bank and its branches, leaving \$15,498,324 of bank notes in actual circulation at end of the year.

SCHEDULE 15.—Number and amount of the various classes of clearing items handled by Federal Reserve Bank of St. Louis and each of its branches each month during 1919.

## CHECKS ON LOCAL BANKS.

	Little Rock		Louisville	
	Number	Amount	Number	Amount
January . . . . .	18,894	\$10,239,288.61	48,292	\$68,205,111.68
February . . . . .	22,199	11,479,191.94	42,990	55,663,363.59
March . . . . .	38,725	14,573,493.29	62,490	66,337,711.67
April . . . . .	29,158	13,437,474.74	57,473	54,539,235.52
May . . . . .	30,461	14,602,227.89	57,478	62,543,471.25
June . . . . .	30,485	14,224,971.16	60,007	55,761,315.48
July . . . . .	31,324	13,595,086.49	59,474	50,218,069.21
August . . . . .	31,233	14,869,400.85	66,290	49,100,785.15
September . . . . .	34,443	18,491,136.88	58,332	56,965,152.50
October . . . . .	39,261	28,306,492.97	67,303	62,187,499.43
November . . . . .	36,639	26,358,375.42	70,599	57,924,099.33
December . . . . .	41,871	29,342,978.80	101,840	68,132,292.75
Total . . . . .	384,693	209,520,069.04	752,568	707,578,107.66

	Memphis		St. Louis		Total	
	Number	Amount	Number	Amount	Number	Amount
January . . . . .	38,526	\$29,298,045.48	133,904	\$212,546,557.08	229,616	\$220,289,002.85
February . . . . .	33,428	20,708,369.63	124,153	178,329,436.83	222,770	266,180,361.99
March . . . . .	46,954	26,471,470.23	194,640	223,851,683.12	342,809	331,234,358.31
April . . . . .	40,875	24,003,582.37	152,132	210,625,861.92	279,638	302,606,144.55
May . . . . .	45,108	26,776,344.12	154,864	225,269,670.77	287,911	329,191,714.03
June . . . . .	46,064	26,991,094.30	154,255	244,884,074.54	290,811	341,861,455.43
July . . . . .	47,247	25,785,283.22	159,038	222,983,731.21	297,083	312,582,120.13
August . . . . .	46,712	24,723,502.86	150,993	238,688,788.17	295,228	327,382,477.03
September . . . . .	50,903	31,064,169.15	170,855	273,380,583.42	314,533	379,901,041.95
October . . . . .	57,532	50,331,858.28	196,499	300,001,771.35	360,595	440,827,622.03
November . . . . .	55,941	56,382,027.67	178,470	239,308,398.50	341,649	379,972,900.92
December . . . . .	64,884	54,374,067.68	234,062	297,664,220.66	442,657	449,513,559.89
Total . . . . .	574,174	396,909,814.99	2,003,865	2,867,534,767.57	3,715,300	4,181,542,759.16

SCHEDULE 15.—*Number and amount of the various classes of clearing items handled by Federal Reserve Bank of St. Louis and each of its branches each month during 1919—Continued.*

## CHECKS ON OTHER BANKS IN THIS DISTRICT.

	Little Rock		Louisville	
	Number	Amount	Number	Amount
January.....	32,514	\$4,352,864.96	127,299	\$14,098,106.28
February.....	48,095	5,213,679.99	109,560	11,624,591.47
March.....	69,929	6,733,612.13	133,924	14,932,617.32
April.....	77,312	7,720,347.08	129,592	12,747,480.76
May.....	83,681	7,894,021.46	132,094	14,011,687.45
June.....	79,427	7,087,584.54	133,642	14,317,074.91
July.....	79,809	6,918,291.56	148,154	14,098,346.27
August.....	81,345	7,511,671.62	147,820	14,601,576.13
September.....	88,703	9,379,471.46	168,158	17,402,253.31
October.....	118,996	14,711,113.18	187,637	18,408,860.76
November.....	125,381	15,046,621.17	189,398	17,853,525.15
December.....	158,010	17,737,926.54	234,091	29,522,214.67
Total.....	1,043,202	110,307,205.69	1,841,369	193,618,334.47

	Memphis		St. Louis		Total	
	Number	Amount	Number	Amount	Number	Amount
January...	32,958	\$5,432,165.01	485,984	\$61,921,192.75	684,755	\$85,804,329.00
February...	32,048	4,501,440.34	465,999	54,125,190.69	662,702	75,464,902.49
March.....	54,672	6,044,128.84	623,030	72,242,728.03	881,555	99,953,086.32
April.....	54,186	5,619,682.87	639,482	68,703,572.28	900,572	94,791,082.98
May.....	56,815	5,961,501.92	657,204	71,210,163.53	929,794	99,077,374.36
June.....	56,787	6,204,071.00	700,851	69,383,463.63	970,707	97,492,194.08
July.....	62,805	5,981,405.06	748,414	73,788,140.05	1,039,182	100,786,182.94
August.....	68,358	6,787,907.40	809,298	87,163,261.83	1,106,821	116,064,416.93
September...	79,220	8,916,803.50	877,470	97,879,672.23	1,213,551	133,578,200.50
October...	102,018	15,163,018.18	1,004,914	104,053,859.69	1,413,565	152,336,851.81
November...	124,432	16,527,105.69	946,467	101,408,678.10	1,385,678	150,835,930.11
December...	153,950	17,725,145.97	1,151,731	122,911,214.73	1,697,782	187,796,501.91
Total...	891,249	104,864,375.78	9,110,844	985,191,137.54	12,886,664	1,393,981,053.48

## CHECKS ON BANKS IN OTHER DISTRICTS.

	Little Rock		Louisville	
	Number	Amount	Number	Amount
January.....	3,972	\$745,053.55	1,565	\$556,425.95
February.....	5,054	1,133,471.23	1,347	709,574.10
March.....	6,057	1,186,053.73	4,908	1,417,084.48
April.....	4,569	756,907.88	1,769	535,514.39
May.....	1,321	622,317.56	2,105	2,680,927.31
June.....	1,486	683,202.63	2,552	1,513,130.19
July.....	1,650	577,775.22	1,664	302,912.53
August.....	2,381	400,126.88	2,266	331,494.37
September.....	2,378	677,064.82	5,824	3,662,176.99
October.....	2,211	986,115.14	3,539	1,393,776.77
November.....	2,540	699,882.97	3,663	1,789,799.76
December.....	3,692	669,468.44	7,854	3,502,406.13
Total.....	37,311	9,137,440.05	39,056	17,995,222.99



SCHEDULE 15.—Number and amount of the various classes of clearing items handled by Federal Reserve Bank of St. Louis and each of its branches each month during 1919—Continued.

	Memphis		St. Louis		Total	
	Number	Amount	Number	Amount	Number	Amount
January...	518	\$67,051.91	12,142	\$19,497,294.82	18,197	\$20,865,826.23
February...	326	109,066.43	11,510	8,164,845.70	18,237	9,716,957.46
March...	339	162,943.08	15,041	6,948,197.61	26,345	9,714,278.90
April...	640	110,416.37	14,961	6,237,793.35	21,939	7,640,631.49
May...	484	298,684.40	16,054	9,719,407.49	19,864	13,321,336.76
June...	563	270,286.00	16,559	7,575,934.01	21,260	10,042,552.83
July...	630	158,817.68	19,213	7,157,181.25	23,167	8,196,686.58
August...	671	87,974.31	20,229	11,183,118.38	25,447	12,002,713.94
September...	560	329,315.11	19,087	10,287,739.24	27,849	14,966,296.16
October...	717	463,179.20	15,627	9,204,360.22	22,094	12,047,431.33
November...	1,267	504,654.01	16,705	8,645,281.16	24,175	11,639,617.92
December...	2,207	885,050.80	18,992	10,936,232.09	32,745	15,993,157.46
Total..	8,822	3,417,438.70	196,120	115,557,386.32	281,309	146,137,487.06

## CHECKS AND WARRANTS ON UNITED STATES TREASURER.

	Little Rock		Louisville	
	Number	Amount	Number	Amount
January...	3,350	\$510,673.56	2,407	\$3,018,502.92
February...	6,274	1,059,811.99	3,885	3,024,936.51
March...	8,264	1,012,037.44	6,366	3,221,425.83
April...	9,155	2,543,796.80	8,952	2,694,554.59
May...	7,803	2,574,679.40	7,449	3,526,569.22
June...	6,594	2,426,652.23	4,599	4,424,002.39
July...	5,903	3,418,356.27	7,955	7,322,679.29
August...	5,557	1,996,790.90	22,019	3,458,862.38
September...	5,339	1,648,777.74	17,508	2,705,492.40
October...	6,459	2,230,351.91	25,443	3,549,302.82
November...	6,380	2,190,141.15	24,083	3,730,874.05
December...	4,987	3,403,201.10	14,489	6,631,105.28
Total.....	76,065	25,015,270.49	145,155	47,308,307.68

	Memphis		St. Louis		Total	
	Number	Amount	Number	Amount	Number	Amount
January...	16,567	\$1,376,529.98	202,027	\$29,151,039.14	224,351	\$34,056,745.60
February...	12,095	1,398,535.30	172,888	25,621,637.92	196,142	31,104,921.72
March...	17,771	1,006,380.41	207,990	21,277,345.36	240,391	26,517,189.04
April...	23,338	1,509,147.57	278,669	18,604,226.29	320,114	25,352,725.25
May...	18,110	2,508,093.47	203,209	16,463,295.80	235,571	25,072,639.89
June...	14,322	3,850,606.64	133,392	10,417,019.33	159,907	21,118,278.59
July...	13,257	2,306,251.33	111,381	13,462,451.33	138,496	26,509,738.22
August...	10,539	994,075.57	102,272	13,881,845.75	140,387	20,331,574.70
September...	10,388	2,389,496.34	96,661	9,935,941.87	129,896	16,678,708.35
October...	10,367	1,243,637.45	145,245	8,513,584.41	187,514	15,536,876.59
November...	8,839	1,309,002.09	111,323	10,697,443.52	150,625	17,927,460.81
December...	8,593	2,287,316.99	72,899	14,346,087.93	100,968	26,667,711.30
Total..	165,186	22,179,073.24	1,837,956	192,371,918.65	2,224,362	286,874,570.06

SCHEDULE 16.—Number and amount of collection items handled by the Federal Reserve Bank of St. Louis and each of its branches each month during 1919.

Month	Little Rock		Louisville	
	Number of items	Amount	Number of items	Amount
January.....	86	\$271,540.49	1,385	\$836,372.54
February.....	134	166,929.51	433	449,941.23
March.....	1,435	323,787.47	301	966,832.50
April.....	134	235,401.11	614	698,414.82
May.....	157	408,008.24	508	1,001,240.71
June.....	192	410,191.20	474	711,175.35
July.....	186	754,250.08	613	1,188,716.73
August.....	210	534,791.89	389	794,228.45
September.....	216	654,253.10	344	544,650.04
October.....	241	754,704.28	559	693,453.68
November.....	318	1,311,161.52	631	1,719,820.44
December.....	295	1,833,199.78	770	2,090,350.11
Total.....	3,604	7,658,218.77	7,021	11,695,196.60

Month	Memphis		St. Louis		Total	
	Number of items	Amount	Number of items	Amount	Number of items	Amount
January...	208	\$482,170.87	1,305	\$917,359.25	2,984	\$2,507,443.15
February...	180	304,008.89	1,637	2,975,846.68	2,384	3,896,726.31
March.....	142	285,865.80	917	3,184,288.06	2,795	4,760,773.83
April.....	162	724,830.51	821	2,057,961.27	1,731	3,716,607.71
May.....	298	474,398.58	992	2,886,269.74	1,955	4,769,917.27
June.....	253	870,254.50	1,103	4,752,556.27	2,022	6,744,177.32
July.....	429	1,432,050.31	1,199	3,362,486.70	2,427	6,737,503.82
August.....	462	970,760.09	1,316	3,548,666.95	2,377	5,848,447.38
September...	562	984,520.41	1,475	3,886,868.03	2,597	6,070,291.58
October...	922	4,124,274.65	2,059	7,186,674.21	3,781	12,759,106.82
November...	1,202	5,160,889.54	2,284	6,928,764.60	4,435	15,120,636.20
December...	1,321	3,848,441.03	2,498	6,553,544.61	4,884	14,325,535.53
Total..	6,141	19,662,465.18	17,606	48,241,286.37	34,372	87,257,166.92

SCHEDULE 17.—*Number and amount of coupons from United States securities handled by the Federal Reserve Bank of St. Louis and each of its branches each month during 1919.*

Month	Little Rock		Louisville	
	Number coupons handled	Amount	Number coupons handled	Amount
January.....	3,130	\$5,472.66	19,801	\$75,372.35
February.....	4,059	6,113.87	6,417	18,643.28
March.....	13,118	30,736.28	57,994	256,302.97
April.....	28,044	68,171.97	137,069	535,900.24
May.....	28,166	80,960.31	95,032	461,784.70
June.....	16,256	39,805.35	53,620	238,844.39
July.....	9,888	21,891.61	37,379	132,935.20
August.....	6,760	11,778.57	19,172	46,169.40
September.....	17,881	41,692.67	74,360	319,998.78
October.....	32,875	79,253.89	164,453	743,240.64
November.....	29,419	82,029.13	95,276	456,690.56
December.....	37,664	149,845.99	126,044	828,959.38
Total.....	227,260	617,752.30	886,617	4,114,842.09

Month	Memphis		St. Louis		Total	
	Number coupons handled	Amount	Number coupons handled	Amount	Number coupons handled	Amount
January...	14,003	\$45,474.20	116,017	\$313,531.80	152,951	\$439,851.01
February...	7,225	20,020.33	50,883	105,343.57	68,584	150,121.05
March.....	26,036	87,514.98	346,583	1,245,582.67	443,731	1,620,136.90
April.....	56,617	215,531.98	654,208	2,101,252.81	876,938	2,920,857.00
May.....	39,829	156,207.31	464,852	1,623,634.35	627,879	2,322,536.67
June.....	31,145	113,881.88	247,658	892,301.93	348,679	1,284,833.53
July.....	17,591	55,719.99	147,290	384,654.42	212,148	595,201.22
August....	10,333	27,610.00	87,240	178,410.72	123,505	263,968.69
September.	28,373	92,185.75	332,520	1,223,902.42	453,134	1,677,779.62
October....	55,344	217,546.52	674,158	2,385,019.73	926,830	3,425,060.98
November.	46,938	177,070.72	448,135	1,654,063.65	619,768	2,369,854.06
December.	63,816	330,090.69	572,724	3,043,408.77	800,248	4,352,304.83
Total..	397,250	1,538,854.33	4,142,268	15,151,106.84	5,653,395	21,422,555.56



SCHEDULE 18.—Total debits and credits of Federal Reserve Bank of St. Louis through gold settlement fund in Washington for each week during 1919, and the balance to its credit on the dates shown.

For week ending	Total debits (receipts)	Total credits (disbursements)	Credit balance of F. R. B., St. Louis
Balance December 27, 1918....	\$26,996,785.30	.....	.....
Jan. 3.....	64,436,781.89	\$74,226,390.15	\$17,207,177.04
10.....	62,996,186.94	59,157,927.50	21,045,436.48
17.....	70,651,110.41	62,387,039.46	29,309,507.43
24.....	73,413,120.30	78,151,854.52	24,670,773.21
31.....	69,278,347.68	55,899,401.31	37,949,719.58
Feb. 7.....	89,272,256.40	93,697,428.36	33,624,547.62
14.....	77,202,227.88	81,745,215.06	29,081,560.44
20.....	69,476,324.74	71,903,797.21	26,654,087.97
28.....	90,804,788.60	94,865,117.09	22,593,759.48
Mar. 7.....	88,151,913.44	87,826,711.05	22,918,961.87
14.....	85,250,111.73	92,060,635.37	16,108,438.23
21.....	113,078,559.01	112,552,643.02	16,634,354.22
28.....	86,646,061.43	80,674,395.53	22,606,020.12
Apr. 4.....	80,431,248.37	84,472,268.96	18,564,999.53
11.....	86,587,467.71	77,962,702.78	27,189,764.46
18.....	89,210,804.70	94,039,086.04	22,361,483.12
25.....	82,601,778.91	79,752,588.93	25,210,673.10
May 2.....	89,536,646.31	86,487,191.15	28,260,128.26
9.....	85,701,531.52	80,713,184.61	33,248,475.17
16.....	91,849,262.26	90,122,495.66	34,975,241.77
23.....	106,532,730.59	123,015,484.46	18,492,487.90
29.....	73,432,110.28	64,019,163.65	27,905,434.53
June 6.....	99,171,293.89	108,918,738.10	18,157,990.32
13.....	104,109,802.84	95,555,716.90	26,712,076.26
20.....	121,491,177.85	124,169,522.38	24,033,731.73
27.....	101,510,618.00	102,469,492.58	23,074,857.15
July 3.....	93,674,445.61	91,882,591.88	24,866,710.82
11.....	97,486,850.44	95,633,812.85	26,719,748.47
18.....	114,528,102.32	119,335,799.03	21,912,051.76
25.....	99,324,304.69	96,083,294.56	25,153,061.89
Aug. 1.....	108,975,733.95	112,605,565.74	21,523,230.10
8.....	101,306,193.99	98,654,406.08	24,175,018.01
15.....	136,319,459.38	128,464,623.70	32,029,853.69
22.....	106,726,776.30	108,587,958.12	30,168,671.87
29.....	105,583,149.33	112,666,422.97	23,085,398.23
Sept. 5.....	90,148,842.40	93,559,030.58	19,675,210.05
12.....	99,405,125.78	107,101,178.02	11,979,757.81
19.....	136,161,784.20	133,256,513.11	14,884,428.90
26.....	122,031,094.04	118,990,984.89	17,324,538.05
Oct. 3.....	108,092,009.51	113,104,722.59	12,911,824.97
10.....	124,300,445.66	120,803,341.37	16,408,929.26
17.....	132,164,641.71	132,290,430.35	16,283,140.62
24.....	137,978,710.79	140,147,532.35	14,114,319.06
31.....	139,177,602.53	134,763,681.62	19,528,239.97
Nov. 7.....	130,943,047.25	124,758,880.37	24,712,406.86
14.....	138,099,588.73	150,112,078.45	12,699,917.13
21.....	150,282,842.23	145,530,912.17	17,451,847.19
28.....	113,904,892.11	115,616,610.93	15,740,128.37
Dec. 5.....	150,919,782.29	148,203,807.50	18,456,103.16
12.....	119,865,002.77	121,981,064.65	16,340,041.28
19.....	143,747,210.19	146,178,233.05	13,909,018.42
26.....	110,039,398.72	110,574,634.36	13,373,782.78
Totals.....	5,391,008,085.90	5,377,634,303.12	.....

SCHEDULE 19.—*Treasury certificates of indebtedness, issued in anticipation of Victory liberty loan.*  
(Excluding first two series issued in 1918.)

Date of issue	Maturity	Rate	Total offering	Quota for district	Subscription
January 2, 1919...	June 3, 1919.....	4½	\$750,000,000	\$30,000,000	\$30,927,000
January 16, 1919...	June 17, 1919.....	4½	600,000,000	24,000,000	26,445,500
January 30, 1919...	July 1, 1919.....	4½	600,000,000	24,000,000	29,678,500
February 13, 1919...	July 15, 1919.....	4½	600,000,000	24,000,000	27,405,000
February 27, 1919...	July 29, 1919.....	4½	500,000,000	20,000,000	21,225,500
March 13, 1919....	August 12, 1919....	4½	500,000,000	20,000,000	22,219,000
April 10, 1919.....	September 9, 1919...	4½	500,000,000	20,000,000	21,761,500
May 1, 1919.....	October 7, 1919.....	4½	500,000,000	20,000,000	20,075,000
Total.....			4,550,000,000	182,000,000	199,737,000

## ANALYSIS OF SUBSCRIPTIONS.

Class of banks	Total banks in district	Number of banks subscribing	Percentage of banks	Amount of subscription
National banks .....	470	438	93.19	\$91,602,000
State banks .....	2,179	1,598	73.33	69,782,500
Trust companies .....	218	187	85.77	34,329,000
Private banks .....	225	180	80.00	3,860,000
Total .....	3,092	2,403	77.71	\$199,573,500
Subscriptions of 7 individuals, corporations, etc. ....				163,500
Total .....				199,737,000

SCHEDULE 20.—*Treasury certificates of indebtedness, offered as loan certificates.*

Date of issue	Maturity	Rate	Total offering	Quota for district	Subscription
August 1, 1919....	January 2, 1920...	4½	\$500,000,000	\$20,000,000	\$21,700,000
August 15, 1919...	January 15, 1920...	4½	500,000,000	20,000,000	20,569,000
September 2, 1919...	February 2, 1920...	4½	.....	.....	17,975,500
December 1, 1919...	February 16, 1920...	4½	.....	.....	8,728,000
Total.....			1,000,000,000	40,000,000	68,972,500

## ANALYSIS OF SUBSCRIPTIONS.

Class of banks	Total banks in district	Number of banks subscribing	Percentage of banks	Amount of subscriptions
National banks .....	466	338	72.53	\$33,224,000
State banks .....	2,175	912	41.47	19,979,000
Trust companies .....	232	114	49.73	14,413,500
Private banks .....	219	103	47.02	1,109,000
Total .....	3,092	1,467	47.46	68,725,500
Subscriptions of 14 individuals, corporations, etc. ....				247,000
Total .....				68,972,500

SCHEDULE 21.—*Tax certificates offered during 1919, and the subscriptions received to each.*

IN ANTICIPATION OF TAXES DUE IN 1919.

Date of issue	Maturity	Rate	Subscription
January 16, 1919.....	June 17, 1919.....	4½	\$4,335,500
March 15, 1919.....	June 16, 1919.....	4½	6,437,000
June 3, 1919.....	September 15, 1919.....	4½	12,854,500
June 3, 1919.....	December 15, 1919.....	4½	6,906,500
July 1, 1919.....	September 15, 1919.....	4½	11,203,500
July 1, 1919.....	December 15, 1919.....	4½	11,963,500
Total.....			53,700,500

IN ANTICIPATION OF TAXES DUE IN 1920.

Date of issue	Maturity	Rate	Subscription
July 15, 1919.....	March 15, 1920.....	4½	\$11,198,500
September 15, 1919.....	March 15, 1920.....	4½	3,614,500
September 15, 1919.....	September 15, 1920.....	4½	12,232,500
December 1, 1919.....	March 15, 1920.....	4½	9,191,500
December 15, 1919.....	June 15, 1920.....	4½	29,692,500
Total.....			65,929,500



SCHEDULE 22.—*Victory liberty loan.*

(Amount \$4,500,000,000, dated May 20, 1919, due June 15, 1923, rate 3% and 4%.)

State	Quota	Total subscription	Subscriptions allotted	Number of subscribers
Arkansas .....	\$20,541,150.00	\$20,488,600.00	\$18,689,550.00	50,987
Illinois .....	30,366,650.00	33,639,950.00	31,975,500.00	73,768
Indiana .....	14,092,950.00	14,795,500.00	14,463,150.00	31,413
Kentucky .....	24,795,150.00	26,771,650.00	25,619,150.00	58,820
Mississippi .....	10,683,800.00	10,820,650.00	10,600,400.00	19,095
Missouri—				
St. Louis .....	51,342,650.00	52,142,750.00	50,693,350.00	134,968
Elsewhere .....	36,080,250.00	37,378,700.00	35,741,550.00	107,003
Tennessee .....	14,490,900.00	14,380,900.00	14,004,950.00	28,947
Total .....	202,393,500.00	210,418,700.00	201,787,600.00	505,001

## ANALYSIS OF ALLOTMENTS.

Class of banks	Number of banks in district	Number of banks subscribing	Percentage of banks subscribing	Amount of allotments
National banks .....	471	470	99.79	\$77,659,200
State banks .....	2,188	2,134	97.49	81,897,450
Trust companies .....	229	218	95.20	36,822,350
Private banks .....	210	205	97.62	5,051,700
Total .....	3,098	3,027	97.71	201,430,700
Allotments of 24 individuals, corporations, etc. ....				356,900
Total allotment .....				201,787,600

## ANALYSIS OF PAYMENTS.

	Cash	Credit	C. of I.	Total
National banks .....	\$12,537,169.09	\$39,283,905.91	\$25,838,125.00	\$77,659,200
State banks .....	22,011,665.00	33,814,260.00	26,071,525.00	81,897,450
Trust companies .....	4,872,730.00	26,440,270.00	5,509,350.00	36,822,350
Private banks .....	1,675,365.00	1,326,835.00	2,049,500.00	5,051,700
Individuals, corporations, etc. ....	311,900.00	45,000.00		356,900
Total .....	41,408,829.09	100,910,270.91	59,468,500.00	201,787,600

SCHEDULE 23.—*War savings stamps, thrift stamps and treasury savings certificates sold during the year 1919.*

	Thrift stamps		War savings stamps		Treasury savings certificates			
	Number	Maturity value	Number	Maturity value	\$100	Maturity value	\$1,000	Maturity value
January . . . . .	20,379	\$5,094.75	77,326	\$386,630				
February . . . . .	4,614	1,153.50	11,686	58,430				
March . . . . .	2,218	554.50	8,635	43,175				
April . . . . .	750	187.50	3,355	16,775				
May . . . . .	2,953	738.25	3,955	19,775				
June . . . . .	3,933	983.25	2,219	11,095				
July . . . . .	818	204.50	2,513	12,565	159	\$15,900	33	\$33,000
August . . . . .	2,880	720.00	1,697	8,485	1,593	159,300	226	226,000
September . . . . .	1,478	369.50	2,118	10,590	1,932	199,200	199	199,000
October . . . . .	1,833	458.25	1,674	8,370	2,883	288,300	256	256,000
November . . . . .	1,903	475.75	1,533	7,665	2,471	247,100	294	294,000
December (est.) . . . . .	1,146	286.50	1,489	7,445	1,225	122,500	219	219,000
Totals . . . . .	44,905	11,226.25	118,200	591,000	10,323	1,032,800	1,227	1,227,000

SCHEDULE 24.—*Subscriptions to War Finance Corporation 5% gold bonds.*

	Number in district	Number subscribing	Amount of subscriptions	How paid	
				Cash	Certs. of ind.
National banks . . . . .	471	68	\$1,426,000	\$1,371,000	\$55,000
State banks . . . . .	2,188	110	1,195,000	1,074,000	121,000
Trust companies . . . . .	229	7	798,000	798,000	
Private banks . . . . .	210	2	6,000	6,000	
Individuals, corpora's, etc. (16) . . . . .			822,000	822,000	
Total . . . . .	3,098	187	\$4,247,000	\$4,071,000	\$176,000

SUBSCRIPTIONS BY STATES.

	Total subscriptions	Paid by cash	Paid by certs. of ind.
Arkansas . . . . .	\$43,000	\$43,000	
Illinois . . . . .	566,000	533,000	\$23,000
Indiana . . . . .	206,000	183,000	23,000
Kentucky . . . . .	854,000	849,000	5,000
Mississippi . . . . .	41,000	41,000	
Missouri . . . . .	332,000	282,000	50,000
Tennessee . . . . .	12,000	12,000	
St. Louis . . . . .	2,203,000	2,128,000	75,000
Total . . . . .	4,247,000	4,071,000	176,000

SCHEDULE 25.—Principal resources and liabilities of reporting member banks in St. Louis, Louisville, Memphis, Little Rock and Evansville, during the year 1910.  
(In thousands of dollars, i. e., 000 omitted.)

	Jan. 3	Feb. 7	March 7	April 11	May 9	June 6	July 11	Aug. 8	Sept. 5	Oct. 10	Nov. 7	Dec. 5	Dec. 25
Number of banks reporting.....	31	36	37	36	36	36	34	34	35	35	35	35	35
United States bonds to secure circulation.....	17,155	16,908	16,908	16,908	16,956	17,056	17,156	17,155	17,154	17,154	17,154	17,154	17,178
Other United States bonds, including Liberty bonds.....	39,733	30,242	23,176	18,609	19,219	16,566	12,524	17,134	15,713	15,294	14,935	14,068	14,782
United States Victory notes.....						22,660	14,793	12,143	10,324	8,321	7,105	5,550	5,591
United States certificates of indebtedness.....	31,811	43,575	65,581	73,463	75,956	49,905	29,890	35,199	40,856	23,347	19,037	13,779	22,247
Total United States securities owned.....	88,699	90,725	105,665	108,980	112,171	106,187	74,363	81,681	84,047	64,116	58,291	50,551	59,708
Loans secured by United States bonds and certificates.....	24,509	24,217	22,556	26,509	25,489	26,356	28,304	26,366	27,753	29,793	28,187	30,644	32,193
Loans secured by stock and bonds other than United States securities.....	356,550	368,379	380,686	388,035	385,533	386,813	392,394	410,288	435,568	442,111	444,605	451,800	457,824
All other loans and investments.....									276,520	273,654	238,983	303,613	313,747
Total loans and investments.....	469,788	483,321	508,907	523,524	523,193	519,366	495,061	518,335	523,888	509,674	525,066	586,608	563,473
Reserve with the Federal Reserve Bank.....	42,444	41,755	41,526	39,710	37,468	39,835	43,802	43,118	43,005	45,827	41,822	44,420	44,069
Cash in vault.....	15,166	10,806	10,949	10,265	10,382	10,398	10,258	9,656	10,195	10,331	11,205	12,502	13,250
Net demand deposits on which reserve is computed.....	302,680	300,170	307,122	298,380	304,914	289,882	307,539	320,753	326,539	318,252	330,490	337,534	352,884
Time deposits.....	80,222	92,672	91,060	99,954	98,390	97,930	97,092	99,780	100,895	103,761	106,815	111,664	112,015
Government deposits.....	16,799	19,663	23,003	23,444	20,145	55,153	17,434	23,771	23,310	12,267	6,501	13,037	24,585

\*Exclusive of paper rediscounted with the Federal Reserve Bank of St. Louis.



SCHEDULE 26.—Customary discount and interest rates charged customers by banks in St. Louis, Louisville, Memphis and Little Rock, during the 30-day periods ending the 15th of each month in 1919.

	St. Louis												Louisville											
	January	February	March	April	May	June	July	August	September	October	November	December	January	February	March	April	May	June	July	August	September	October	November	December
Customers' prime commercial paper—																								
30 to 90 days.....	6	5½	6	5½	5½	5½	5½	5½	5½	5½	5½	5½	6	6	6	6	6	6	6	6	6	6	6	6
4 to 6 months.....	6	6	6	6	5½	5½	5½	5½	5½	5½	5½	5½	6	6	6	6	6	6	6	6	6	6	6	6
Prime commercial paper purchased in open market—																								
30 to 90 days.....	5½	5½	5½	5½	5½	5½	5½	5½	5½	5½	5½	5½	5½	5½	5½	5½	5½	5½	5½	5½	5½	5½	5½	5½
4 to 6 months.....	5½	5½	5½	5½	5½	5½	5½	5½	5½	5½	5½	5½	6	6	6	6	6	6	6	6	6	6	6	6
Loans to other banks.....	6	5½	5½	5½	5½	5½	5½	5½	5½	5½	5½	5½	6	6	6	6	6	6	6	6	6	6	6	6
Bankers' acceptances of 60 and 90 days—																								
Endorsed.....	6	6	6	5½	6	5	5	4¼	4¼	4¼	4¼	4¼	6	4¼	4¼	4¼	4¼	4¼	4¼	4¼	4¼	5	5	5
Unendorsed.....	6	6	6	6	6	6	6	4¼	4¼	4¼	4¼	4¼	6	4¼	4¼	4¼	4¼	4¼	4¼	4¼	4¼	5	5	5
Loans secured by prime stock exchange collateral or other current collateral—																								
Demand.....	6	6	5½	5½	5½	5½	5½	5½	5½	5½	6	6	6	6	6	6	6	6	6	6	6	6	6	6
3 months.....	6	5½	5½	5½	6	5½	5½	5½	5½	5½	6	6	6	6	6	6	6	6	6	6	6	6	6	6
6 to 8 months.....	6	6	6	6	6	5½	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6
Cattle loans.....	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6
Commodity paper secured by warehouse receipts, etc.....	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6
Loans secured by Liberty bonds and certificates.....	5½	5½	5½	5½	6	6	6	6	6	6	6	6	5½	5	6	6	5	6	6	5	5½	6	6	5½



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SIXTH ANNUAL REPORT  
OF THE  
FEDERAL RESERVE BANK  
OF ST. LOUIS

FOR THE YEAR ENDED DECEMBER 31, 1920

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JUL 16 1921



## LETTER OF TRANSMITTAL

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FEDERAL RESERVE BANK,  
*St. Louis, Mo., February 12, 1921.*

SIR: I have the honor to transmit herewith the sixth annual report of the Federal Reserve Bank of St. Louis, covering the year ended December 31, 1920.

Respectfully,

WM. MCC. MARTIN,  
*Chairman and Federal Reserve Agent.*

HON. W. P. G. HARDING,  
*Governor, Federal Reserve Board,*  
*Washington, D. C.*

211  
317  
920

**DIRECTORS AND OFFICERS  
Of The  
FEDERAL RESERVE BANK OF ST. LOUIS  
FOR 1921.**

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J. C. UTTERBACK, Paducah, Ky.  
SAM. A. ZIEGLER, Albion, Ill.

**Class B**

LEROY PERCY Greenville, Miss.  
W. B. PLUNKETT, Little Rock, Ark.  
ROLLA WELLS St. Louis, Mo.

**Class C**

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FEDERAL RESERVE AGENT.  
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ASSISTANT FEDERAL RESERVE AGENT.  
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DEPUTY GOVERNOR.  
J. G. McCONKEY,  
COUNSEL AND SECRETARY.  
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CASHIER.  
A. H. HAILL,  
J. W. RINKLEFF,  
W. H. GLASGOW,  
S. F. GILMORE,  
E. C. ADAMS,  
F. N. HALL,  
ASSISTANT CASHIERS.

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CASHIER.  
EARL R. MUIR,  
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V. S. FUQUA,  
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S. E. RAGLAND,  
T. K. RIDDICK,  
R. B. SNOWDEN.

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MANAGER.  
M. H. LONG,  
CASHIER.  
F. A. COE,  
ASSISTANT CASHIER.

**DIRECTORS**

A. F. BAILEY,  
C. A. PRATT,  
J. E. ENGLAND, Jr.  
GEO. W. ROGERS,  
MOORHEAD WRIGHT,





## GENERAL BUSINESS CONDITIONS DURING 1920

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### VOLUME OF BUSINESS

Financial and business results in 1920, the second year of readjustment from a war to a peace basis, in point of variety and significance, are among the most notable which this country has experienced. The outstanding feature in a long list of unusual events was the astonishingly rapid change from conditions of great business activity and feverish buying to industrial inertia and the collapse of purchasing by merchants and the public. This transition came in the second half, and was considerably accelerated in the two final months of the year. Symptoms were not lacking during the initial months which pointed cogently in the direction of what ultimate developments might be, and the chain of incidents beginning in January led logically to the final consummation.

The end of 1919 left commodity prices at abnormally high levels, and inflation was general in all branches of activity, credits and wages. Spending had reached an almost unprecedented scale, and merchants and manufacturers were hard put to it to supply the goods wanted. Cost was of secondary consideration, the main object being to get things. As the early stages of the year progressed these manifestations became more striking, until about the middle of June, when the peak of the upward movement was reached. Intensive effort was put forth in all quarters to speed up production in order to realize top prices, and as in the case of consumers, scant regard was given to expense.

Meanwhile an underlying current of resentment and reaction against the high cost of living was gaining steadily in strength. The war being over for many months, the public deemed it high time that something be done toward the restoration of a normal status. This topic was an appealing and popular one and was taken up extensively by the press, with the result that specific movements were started to bring down prices. Most memorable among these was the formation of the so-called overall clubs, which, while not productive of immediate results, did much to promote sober thinking and affect sentiment. The decline in spending by the public during 1920 is reflected in Chart F, which gives the total debits charged by banks in the leading centers of this district

to checking accounts, savings accounts and trust accounts each week during the year.

Toward the middle of the summer signs of slowing down in business became more numerous and clearly defined. Prices of basic commodities, notably silk, wool, sugar and hides, gave away, and confidence in values of other things was shaken. Merchants adopted greater conservatism in buying, especially for forward delivery. The great commodity markets were changing from a position of complete domination by sellers to the buyers' advantage. Withal labor continued well employed, crop prospects were splendid and buying power of the public had not been impaired at any point, so that in many quarters it was difficult to believe that the pace would slacken.

However, readjustment had set in and due to the steadying influence of the Federal Reserve System proceeded not too fast, but within safe limits. Interests holding out to the very last in hopes of realizing the extreme high prices, and thus making big profits, had to bear the brunt of the radical reaction of the two closing months of 1920. The year closed with the most difficult stages of readjustment successfully disposed of.

The changes in the principal asset and liability items of reporting member banks in the leading cities of this district during the year are shown in Schedule 26 and Chart E. The discount and interest rates charged by member banks are given in Schedule 27.

### AGRICULTURAL CONDITIONS

An unfortunate feature in the year's reversal of conditions was that crops were planted and harvested during the period of heaviest costs, while their marketing fell largely in the months of decline. This was felt keenly in the Eighth Federal Reserve District, the prosperity of which is dependent in a great measure upon agriculture. In the Southern states cotton was produced at heavier expense than during any preceding year. The sharp decline in prices of that staple caused losses to planters in many instances, and sluggish marketing necessitated longer and more extensive financing than heretofore. In a greater or lesser degree, similar conditions obtained in areas where cereals and other crops are raised.

Early in the year, the accounts relative to crops constituted a decided stimulant. Productions which are harvested early had turned out well, while there was every assurance which broad acreages and ideal growing conditions could give that yields of crops ripening later would be



of record proportions. These hopes were realized, the year's agricultural output adding tremendous new wealth to the country, but the effect on immediate business fell below what had been anticipated, due to the drastic slump in market prices of virtually everything produced. Spending programs in the country underwent downward revisions, and new construction and improvements in the rural districts were postponed or abandoned. These changes ramified to city distributor and manufacturer and finally back to the producer, thus forming a completed economic cycle which, with other less tangible factors, wrought stagnation in business toward the close of the year.

## OPERATIONS OF THE FEDERAL RESERVE BANK OF ST. LOUIS

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The sequence of developments arising from the great war brought many new problems, in the solution of which the Federal Reserve System had an important part. Credit requirements for the conduct of business expanded to unprecedented dimensions, and extended through longer periods than in any preceding year. This was particularly true of the Eighth Federal Reserve District, which includes within its boundaries a typically agricultural area. The crops produced were large, and were raised at a greater cost than ever before. This fact, coupled with the slowness with which several important staples moved to market, entailed enormous financing.

The Federal Reserve Bank rendered invaluable aid in supplying money and credit for agricultural requirements and the needs of commerce generally. It also aided the Government in its financial operations. Specifically the year was marked by added features in the service which the Federal Reserve Bank renders, and a broadening of those heretofore undertaken.

### FINANCIAL RESULTS OF OPERATION

Gross earnings of the Federal Reserve Bank of St. Louis for 1920 aggregated \$7,180,117.23. Current expenses amounted to \$1,924,455.92, leaving net earnings of \$5,255,661.31. Out of the net earnings a \$34,615 reserve was set aside to cover further depreciation in United States securities owned, and \$365,000 of the cost of bank premises was charged off. Dividends amounting to \$253,711.36 were paid during the year. The amount transferred to surplus was \$4,621,854.39.

The chief source of revenue during 1920 was bills discounted for member banks, \$6,382,356.63 of the gross earnings being derived from these transactions. Schedule 1 shows in detail the earnings and expenses for the years 1919 and 1920.

The total resources of the Federal Reserve Bank of St. Louis decreased from \$301,094,164.75 on December 31, 1919, to \$263,101,962.01 on De-

cember 31, 1920. Between these dates its gross deposits decreased from \$131,963,641.07 to \$104,269,005.59, and its earning assets increased from \$128,874,552.62 to \$133,308,109.18. Reserve deposits of member banks decreased from \$72,282,788.29 to \$66,902,690.78, and Federal Reserve notes in circulation fell from a total of \$145,298.330 to \$135,785,330. Comparative balance sheets as of December 31, 1919, and 1920, are given in Schedule 2. The movement of the principal asset and liability items during the year are shown in Schedule 3 and Charts A and C.

### RESERVE POSITION

On January 2, 1920, the adjusted reserve of this bank against net deposit and Federal Reserve note liabilities was 58.5 per cent and the actual reserve was 46.8 per cent. The bank held \$23,789,634 of paper acquired from other Federal Reserve Banks. Its reserve position was strong, and it continued to discount for other reserve banks until the middle of January. From that time on the demand for accommodations in this district steadily increased and the reserve ratio went steadily down. On March 23 it was necessary to rediscount with other Federal Reserve Banks paper amounting to \$2,529,000 in order to protect our reserve position, the adjusted reserve on that date being 38.5 per cent.

The demand for funds from all parts of the district kept up in an increasing degree and the reserve decreased proportionately. On May 25 the adjusted reserve was 14.4 per cent, and paper amounting to \$52,529,000 was under rediscount with other Federal Reserve Banks. The low point in the reserve position was reached on May 28, with an adjusted reserve of 13.9 per cent. To meet this situation the Board of Directors inaugurated the progressive discount rate which became effective May 26. The reserve position began to improve almost immediately. On June 1 the adjusted reserve had increased to 15.3 per cent and by July 15 it had increased to 28.5 per cent. It remained at about that level except for a slump in October and the early part of November. In November and December the reserve position showed pronounced improvement and on December 9 the last rediscount with other Federal Reserve Banks matured. The actual and adjusted reserve on that date was 40.6 per cent. On December 31, 1920, the actual and adjusted reserve against net deposit and Federal Reserve note liabilities was 44.3 per cent.

The total cash reserves, net deposit and Federal Reserve note liabilities and actual and adjusted reserve percentages at the close of business each Friday are shown in Schedule 3 and Chart C.



## DISCOUNT OPERATIONS

The total amount of paper discounted for member banks during 1920 was \$2,438,040,713.61, exclusive of discounts acquired from other Federal Reserve Banks and bankers' acceptances purchased. Of this amount \$1,074,803,559 was commercial or single-name paper; \$13,471,151.01 consisted of trade acceptances, or two-name paper, and \$1,349,766,003.60 consisted of member banks' fifteen-day collateral notes. Of the \$1,074,803,559 of commercial paper discounted, \$94,417,329.54 was secured by Liberty Bonds, Victory Notes and Certificates of Indebtedness and of the \$1,349,766,003.60 of member banks' collateral notes, \$1,346,813,633.82 was secured by such Government obligations. The total paper discounted for member banks during 1920 shows an increase of \$337,410,118.10 over the amount discounted in 1919.

During 1919 this bank discounted paper entitled to classification as Agricultural or Live Stock paper amounting to \$4,762,082.24, while in 1920 such paper amounted to \$24,591,095.49, or an increase of \$19,829,013.25. While this increase is very large, it does not measure the true amount of assistance rendered to agricultural interests. A great deal of the paper offered by the smaller banks in this district is directly for the benefit of agricultural interests, although it cannot technically be classified as Agricultural or Live Stock paper. An analysis of loans as of December 15, 1919, and December 15, 1920, indicated that during 1919 approximately 11 per cent of our total loans was for the production and sale of agricultural products, while in 1920 about 29 per cent was for benefit of the agricultural communities.

The total number of bills handled during 1920 was 83,779 as follows: Rediscounts, 68,353; member banks' collateral notes, 13,459, and bills bought, 1,967. There were 49,913 more bills handled than in 1919.

Of the 571 member banks, 386 different member banks borrowed from this bank during 1920, which is an increase of 81 over the number accommodated in 1919.

Schedule 4 shows the volume of the different classes of paper discounted by this bank and each of its branches during the year, the volume of paper received from each state each month and the number of different banks in each state discounting during the year. The total amount of discounts held each week is given in Schedule 3 and Chart A. The demand for accommodations in the territories served by the parent bank and each branch is shown in Chart B.

During the year the Federal Reserve Bank of St. Louis rediscounted with other Federal Reserve Banks \$315,498,734.75 of paper. Of this

amount \$166,000,023 was secured by Government obligations, \$143,499,-385.36 commercial paper and \$5,999,326.39 consisted of bankers' acceptances. The amounts rediscounted with other Federal Reserve Banks were as follows: Philadelphia, \$24,999,840; New York, \$60,000,595.23; Boston, \$133,971,332.32; San Francisco, \$12,500,000; Cleveland, \$81,-497,967.20, and Minneapolis, \$2,529,000. The Federal Reserve Bank of St. Louis discounted during the year for other Federal Reserve Banks \$13,000,000 of paper, all of which was done in January. Of this amount \$8,000,000 was for Philadelphia and \$5,000,000 for New York. The rediscount operations with and for other Federal Reserve Banks are shown in Schedules 3 and 5 and Charts A and B.

### TRADE ACCEPTANCES

During 1920 this bank discounted a total of \$13,471,151.01 of trade acceptances for member banks, which is an increase of \$5,524,971.01 as compared to 1919. The increase in the use of trade acceptances is gratifying because it was made in the face of abnormal conditions, especially in the southern portions of the district.

### BANKERS' ACCEPTANCES

During the past year this bank purchased a total of \$36,019,617.46 of bankers' acceptances. Of this amount \$35,769,617.46 was purchased from banks and dealers in the district, and \$250,000 through the Federal Reserve Bank of New York. This is a decrease of \$91,803,299.86 under the amount purchased during 1919. The rates on these acceptances ranged from  $4\frac{5}{16}$  per cent to  $6\frac{3}{4}$  per cent. Schedule 6 shows the amount of bankers' acceptances purchased each month.

Conditions in this district were not favorable to the development of bankers' acceptances during the past year. Member banks, generally speaking, did not have surplus funds to invest and this institution consistently followed the policy of not encouraging banks to indorse bills for profit. Efforts to encourage the use of bankers' acceptances have been further hampered by the unusual amount of frozen credit in the district, particularly the southern parts. In an effort to sustain the market and to encourage the investment of a bank's surplus funds in liquid assets, this bank established, on January 24, 1920, a preferential rate for the discount of indorsed bank bills. This preferential rate has been carried since that date and has afforded a ready outlet for banks which have not borrowed in excess of their basic line. The open market rate for the purchase of indorsed bank bills has varied according to conditions and has been used freely by member banks which have borrowed in excess of their basic line because sales to this bank under these

rates are not included in the credit structure nor subject to its progressive rates of discount.

During 1920 no member banks in this district applied for permission to accept up to 100 per cent of their capital and surplus, drafts and bills of exchange growing out of transactions involving the importation or exportation of goods, as provided in Section 13 of the Federal Reserve Act. Seven member banks were previously granted such permission by the Federal Reserve Board.

### DISCOUNT RATES

During the year the normal discount rates of this bank on commercial or agricultural paper did not exceed six per cent, and the normal rates on collateral notes or rediscounts secured by Government war obligations were not in excess of five and one-half per cent. The normal discount rates in effect at the opening and closing of the year, and changes made during the year, are shown in Schedule 7.

As previously mentioned, effective May 26, 1920, this bank established a progressive discount rate, which was continued through the year. A member bank was charged the normal discount rate on its borrowings up to the amount of its basic line, and on each additional one-fourth of its basic line borrowed one-half per cent was added to the rate. The basic line established for each member bank was a theoretical amount which the Reserve Bank could lend it, provided all member banks called on it for accommodations at the same time. The basic line was calculated by adding the amount paid in by a member bank on its capital stock subscription to 65 per cent of its required reserve and then multiplying this total by  $2\frac{1}{2}$ . The reserve balances and requirements of member banks in this district are figured on an average of a seven-day period for banks in St. Louis, Little Rock, Louisville and Memphis, and on a fifteen-day period for all other banks. In like manner the charges under the progressive rates were figured on the average borrowings of member banks for the same periods used in figuring their average reserves.

Liberty Bonds or Victory Notes actually owned by the borrowing bank on April 1, 1920, and Treasury Certificates of Indebtedness actually owned by the borrowing bank on date of hypothecation, were exempted from the credit structure and from the application of the progressive discount rate. Other borrowings which perhaps directly reflected unwarranted credit expansion or frozen credits were subject to the progressive rate of discount.



On December 31 there were 571 member banks in this district. The number of banks subject to the progressive discount rate varied from 28 in May to 111 in December. The number of banks which borrowed in excess of their basic lines was always larger than the number subject to the progressive rates of discount because of the exemption of collateral notes secured by Government war obligations. There was no period during the year when twenty per cent of the member banks were paying a progressive rate of discount. Over eighty per cent of the banks were, therefore, receiving accommodation at our normal rates of discount. The average rate of earnings of the bank on all bills discounted for the last half of the year, exclusive of the interest earned under the schedule of progressive rates, was 5.64 per cent. The average rate of earnings, including the progressive rates, for the same months, amounted to 6.13 per cent. At no time during the year did the average interest on all bills discounted reach as high as 7 per cent. The following table gives by months the number of member banks subject to the progressive rates and the average rate of earnings on bills discounted:

Month, 1920.	Number of banks borrowing in excess of basic line on the 1st of each month.	Number of banks subject to progressive rates.	Average rate of earnings on all bills discounted, exclusive of progressive rates.	Average rate of earnings on all bills discounted, including progressive rates.
May .....	132	28	.....	.....
June .....	149	79	.....	.....
July .....	154	77	5.68%	6.07%
August .....	159	89	5.70%	6.03%
September .....	166	106	5.41%	5.74%
October .....	172	109	5.47%	5.86%
November .....	179	111	5.79%	6.80%
December .....	182	111	5.82%	6.47%

#### FEDERAL RESERVE NOTES

In 1920 the Federal Reserve Agent received from the Comptroller of the Currency Federal Reserve Notes aggregating \$105,400,000, which compares with \$138,220,000 in 1919. The Agent issued and reissued to the Federal Reserve Bank of St. Louis during 1920, against the pledge of gold and eligible paper, Federal Reserve Notes to the value of \$106,470,000, which was \$27,555,000 less than the amount issued and reissued the preceding year. The heaviest demand for notes was in February and through August, September and October. Schedule 8 shows the amount of each denomination of Federal Reserve Notes issued to the bank each month during the year.

The bank returned to the Federal Reserve Agent a total of \$3,350,000 fit Federal Reserve Notes during the year.

The Treasurer of the United States during 1920 redeemed out of the redemption fund maintained with him by the Federal Reserve Agent \$112,447,570 of unfit notes of the Federal Reserve Bank of St. Louis, which were turned over to the Comptroller of the Currency for destruction.

The amount of Federal Reserve Notes outstanding at the close of 1919 was \$164,718,955. Adding the \$106,470,000 of notes issued during 1920 and subtracting the \$3,350,000 of fit notes returned by the bank to the Federal Reserve Agent and the \$112,447,570 of unfit notes redeemed, left a total of \$155,391,385 Federal Reserve Notes outstanding on December 31, 1920. To secure these outstanding notes there were \$49,337,145 of gold and \$116,079,990.83 of eligible paper pledged with the Federal Reserve Agent. Of the \$155,391,385 Federal Reserve Notes outstanding, \$18,020,705 were held by the Federal Reserve Bank and its branches and \$1,585,350 were in transit to Washington for redemption, leaving \$135,785,330 in actual circulation on December 31, 1920.

Schedule 9 shows the amount of each denomination of Federal Reserve Notes outstanding December 31, 1919, issued, returned and redeemed during 1920, and outstanding December 31, 1920. Comparative statements of the Federal Reserve Agent's accounts as of December 31, 1919 and 1920, are given in Schedule 10.

Out of the redemption fund maintained by the Federal Reserve Bank of St. Louis with the United States Treasurer, \$1,953,100 of fit Federal Reserve Notes were redeemed during the year, which were returned to the bank for reissuance.

During 1920 the Federal Reserve Bank of St. Louis received from other Federal Reserve Banks for redemption or credit \$59,593,580 of its own fit and unfit Federal Reserve Notes and returned to other Federal Reserve Banks for redemption or credit \$95,669,985 of their notes. In other words, this bank returned \$36,076,405 more notes of other banks than it received of its own. As was the case in 1919, the Federal Reserve Bank of Chicago returned to this bank more notes of the Federal Reserve Bank of St. Louis than did any other district. This bank also returned more notes of the Federal Reserve Bank of Chicago than of any other district. Schedule 11 shows the amount of Federal Reserve Notes received by this bank from each other Federal Reserve Bank and the amount of notes of each other Federal Reserve Bank returned by this bank during 1920.

## FEDERAL RESERVE BANK NOTES

Issues of Federal Reserve Bank Notes during the year 1920 totaled \$11,880,000, all of which were issued in replacement of unfit notes redeemed. The total amount of unfit Federal Reserve Bank Notes redeemed during the year was \$18,879,400, leaving a net reduction in the amount of outstanding notes of \$6,999,400.

The balance outstanding on December 31, 1920, was \$9,608,600, this being secured by \$15,568,000 United States special 2% certificates of indebtedness deposited with the Treasurer of the United States. Of the balance outstanding December 31, 1920, \$121,850 was held by the Federal Reserve Bank and its branches, leaving a net amount of \$9,486,750 Federal Reserve Bank Notes in actual circulation at the end of the year.

Schedule 12 gives by denominations the Federal Reserve Bank Notes outstanding December 31, 1919, replacements and redemptions during 1920 and balance outstanding December 31, 1920.

## SHIPMENTS OF CURRENCY AND COIN

In addition to absorbing the cost of currency shipments to and from member banks and the cost of coin shipments from members, this bank and its branches inaugurated in August the practice of assuming the cost of shipments of subsidiary and minor coin to member banks.

In September this bank advised its member banks that shipments of currency and coin would be made upon request to their correspondents, located in this district, free of expense if the correspondent was a member bank, and at the expense of the bank making the request if the correspondent was a non-member. The member banks availed themselves freely of this privilege, and it has resulted in a saving of labor, in that it eliminates the rehandling of money intended for transmission to country banks.

During the year the Federal Reserve Bank of St. Louis and its branches paid out a total of \$370,334,398.12 currency and coin, of which \$344,456,290.43 was to member banks and \$25,878,107.69 to non-member banks. It received a total of \$443,426,788.16, of which \$412,140,884.27 was from member banks and \$31,285,903.89 from non-members. Schedule 13 shows the amounts received and shipped by the parent bank and each branch.

## CLEARINGS

In the matter of checks handled by the St. Louis Federal Reserve Bank, 1920 was marked by considerable growth. This was due in a great measure to successful results of the campaign for par points, which in



this district was completed in February. With the exception of 187 banks in Mississippi, all the banks of the district are now remitting at par. The check totals were further swelled by the fact that eighteen banks in St. Louis and its environs clear directly through this bank, and by additions resulting from taking over the clearing functions of the Louisville clearing house by the Louisville Branch.

During the year 31,070,661 checks, amounting to \$7,535,897,265, were handled by the Federal Reserve Bank of St. Louis and its branches. These figures indicate an increase 11,963,026 in the number of checks and \$1,527,361,395 in amount over the respective totals in 1919. At the close of 1920, the parent bank and its branches were handling an average of 110,169 clearing items daily, as compared to a daily average of 88,500 at the close of 1919.

Schedule 14 shows the number and amount of the various classes of clearing items and Chart D shows the daily average number of clearing items handled by the Federal Reserve Bank of St. Louis and each of its branches each month during 1920.

The number of member banks making use of the clearing facilities of this bank as of December 31, 1919, was 273, while on the same date in 1920 the number was 332. On December 31, 1920, the number of clearing non-member banks making use of the clearing facilities was 17, an increase of 3 for the year.

## COLLECTIONS

To a greater extent than ever before, member banks during 1920 made use of facilities of the Federal Reserve Bank of St. Louis for the collection of such items as notes, drafts, acceptances, coupons, etc., with the result that the totals representing such operations for the year were nearly three times as great as in 1919. The bank handled in 1920 a total of 90,593 collection items, amounting to \$180,848,903.41, which compares with 34,372 items, amounting to \$87,257,166.92 in 1919. Of the collection items handled, 81,674 items, aggregating \$167,612,216.77, were collected, leaving 8,919 items, amounting to \$13,236,686.64 returned unpaid. The average item handled in 1920 was approximately \$1,996, and in 1919 the average was about \$2,538. Schedule 15 gives the number and amount of collections handled each month in 1920 by this bank and its branches.

The number of Government coupons handled in 1920 was 6,332,980, amounting to \$28,606,861.67. This shows an increase of 679,585 in the number and \$7,184,306.11 in amount over 1919. Schedule 16 gives the

number and amount of coupons handled by the parent bank and its branches each month during 1920.

### **GOLD SETTLEMENT FUND**

Due to the enormous growth in transactions handled between Federal Reserve Banks, and especially in the case of special transfers of funds for member banks and the Treasurer of the United States, and rediscounting between the Federal Reserve Banks, the gold settlement fund has proved an invaluable part of the system's machinery. The private wire system linking the Federal Reserve Banks, their branches and the Federal Reserve Board at Washington has facilitated and expedited the operations involved in settlements through the fund.

During 1920 operations through the gold settlement fund were larger than ever before, and show a substantial increase over the totals of 1919. On December 26, 1919, the credit balance in this account was \$13,373,-782.78, while on December 30, 1920, the balance was \$21,852,704.38. The total settlements were as follows: Receipts, \$6,629,605,118.05, and disbursements, \$6,621,126,196.45, indicating a net gain in balance of \$8,478,921.60.

Schedule 17 gives the total receipts and disbursements through the gold settlement fund weekly during 1920, together with credit balances at the end of each week.

The gold fund in Washington has also been of great assistance in effecting transfers of gold between the Federal Reserve Bank and the Federal Reserve Agent, and in making deposits to the funds in Washington used to redeem Federal Reserve Notes. Most of the gold pledged by the bank with the Federal Reserve Agent as security for Federal Reserve Notes is deposited in the Federal Reserve Agents' Fund in Washington, which enables transfers to be made by wire. During 1920, the total deposits made to the credit of the Federal Reserve Agent at St. Louis through this fund amounted to \$120,100,000, and the withdrawals aggregated \$134,500,000. The balance to his credit in this fund at the close of the year was \$39,530,600.

### **TRANSFERS OF FUNDS**

In the year the Federal Reserve Bank of St. Louis and its branches received 17,982 incoming wire transfers, totaling \$756,496,519.11, and dispatched 32,068 outgoing wire transfers, totaling \$1,225,250,058.53.

During 1920 there were 30 transfers sold by draft, amounting to \$4,816,907.04. No transfers were bought during the period. Transfers bought and sold were virtually discontinued in October, 1919, and the

transfers considered as sold in 1920 represent checks on other Federal Reserve Banks issued by this bank without charge.

### DEPOSITS TO 5% FUND FOR NATIONAL BANKS

The Federal Reserve Bank of St. Louis has continued to make deposits for national banks to their 5 per cent redemption accounts with the Treasurer of the United States at Washington, through the medium of the Federal Reserve Board and the Gold Settlement Fund. The value of such deposits during 1920 was as follows:

	No. Deposits	Amount
January .....	193	\$1,568,335.00
February .....	121	2,833,270.00
March .....	311	2,358,470.00
April .....	285	1,444,700.00
May .....	402	1,789,347.50
June .....	638	1,338,500.00
July .....	634	1,033,760.00
August .....	726	1,294,900.00
September .....	720	1,069,130.00
October .....	838	960,177.50
November .....	1,119	1,171,637.00
December .....	1,674	1,906,055.21
Total.....	7,661	\$18,768,282.21

### NATIONAL BANKS GRANTED FIDUCIARY POWERS

Nine national banks in the district were granted permission by the Federal Reserve Board in 1920 to act as trustee, executor, etc., under the provisions of Section 11 (k) of the Federal Reserve Act, as amended by the Act of September 26, 1918. One national bank which had received fiduciary powers as originally provided in the Federal Reserve Act was authorized to exercise the additional powers conferred by the amendment of September 26, 1918. On December 31, 1920, there were 82 national banks in this district authorized to exercise fiduciary powers, of which 13 were located in Arkansas, 18 in Illinois, 15 in Indiana, 19 in Kentucky, 1 in Mississippi, 15 in Missouri and 1 in Tennessee. Schedule 18 gives a list of the national banks granted permission during 1920 to exercise fiduciary powers.

### MONTHLY REPORT ON CONDITIONS

During the year the bank continued to compile each month a report on business and agricultural conditions. The scope of the report was



considerably broadened. A number of new lines of study and investigation were undertaken, and the results included in this bulletin. That its message is receiving appreciation was evidenced by the large number of requests to be placed on the mailing list, and the space given it in the editorial and news columns of newspapers published in St. Louis and other cities of the district.

### RELATIONS WITH BANKS

Nothing was left undone during the year to promote closer relations between the St. Louis Federal Reserve Bank and the banks of the district. That substantial progress was made in this direction was demonstrated by the greater extent to which the members took advantage of the services and facilities offered by the institution.

The principal developments in the relationship between the Federal Reserve Bank of St. Louis and non-member state banks in 1920 were the broadening of the check collection system and shipping of currency and coin to correspondents of member banks. These functions served to establish a closer relationship with non-member banks of the district as well as to draw the Federal Reserve Bank and its members more closely together than ever before.

Through regular representation at group meetings and state conventions of bankers' organizations in the several states, opportunity was given for an intimate interchange of ideas between officers of this bank and those of the commercial institutions. These meetings proved beneficial educationally, and enabled the representatives of this bank to explain first hand its operations and benefits.

### MOVEMENT OF MEMBERSHIP

On January 1, 1920, the Federal Reserve Bank of St. Louis had a total of 540 member banks, consisting of 472 national banks and 68 state banks and trust companies. Its authorized capital was \$8,130,900, of which \$4,064,450 was paid in. During 1920 fifteen new national banks were enrolled as members, six liquidated and one consolidated with another national bank. Twenty-four state banks and trust companies were admitted to membership, and one state bank was converted into a national bank.

On December 31, 1920, this bank had a membership of 571, representing a gain of 31 for the year. There were 480 national banks and 91 state banks and trust companies. The total authorized capital stock was \$8,741,000, of which \$4,364,750 was paid in. The paid-in capital increased \$300,300 during the period under review.

Schedule 19 gives a list of the national and state banks which became members during 1920; also the banks which liquidated or consolidated.

On December 31, 1920, there were 1,015 eligible non-member state banks and trust companies in this district with total resources aggregating approximately \$603,279,000. The total resources of the 91 member state banks and trust companies amounted to \$390,073,000, which is almost 40 per cent of the total resources of all eligible state institutions in this district. Several applications of state institutions for membership were pending at the close of the year.

### EXAMINATION DEPARTMENT

The Department of Examinations was enlarged during the year and examiners for the Federal Reserve Bank participated with the various State Banking Departments of the district in 80 examinations of 69 member state banks and trust companies. The Federal Reserve Examiners also made 12 independent examinations.

The following table shows the work done by states:

State	Member state banks.	Independent examinations by F. R. examiners.	Independent examinations by state examiners.	Participations by Federal Reserve examiners.
Arkansas .....	29	3	3	27
Illinois .....	14	1	14	3
Indiana .....	2	0	1	2
Kentucky .....	5	0	1	5
Mississippi .....	1	1	1	0
Missouri .....	30	7	1	25
Tennessee .....	10	0	2	18
Totals.....	91	12	23	80

### FOREIGN ACCOUNTS

In course of the year 1920, the balance of the participation of the Federal Reserve Bank of St. Louis in the Bank of England Sterling Gold Account was reduced from \$6,172,049.99 to \$3,029,109.69.

Foreign Government credit balance of the Argentine Government at the beginning of 1920 was \$3,397,820.65 and on October 28 was closed out entirely, a small balance being transferred to the Federal Reserve Bank of New York.

On June 16 a proportionate share of the deposit of the Bank of Japan in the amount of \$188,000 was placed upon the books of this bank, which balance is still carried.

On November 3 the Bank of France, Earmarked Gold Account, was opened in the amount of \$155,100, which balance was also outstanding at the close of the year.

### INTERNAL ORGANIZATION

On January 1, 1920, the Board of Directors of the Federal Reserve Bank of St. Louis was composed of the following members: Walker Hill, J. C. Utterback and Sam A. Ziegler, Class A directors; LeRoy Percy, W. B. Plunkett and Rolla Wells, Class B directors, and John W. Boehne, Wm. McC. Martin and C. P. J. Mooney, Class C directors. Mr. Martin was also Chairman of the Board and Federal Reserve Agent and Mr. Boehne deputy chairman. Of the above directors the terms of Messrs. Boehne, Hill and Percy expired on December 31, 1920.

From November 18 to December 5 an election was conducted for the selection of Class A and Class B directors to succeed Mr. Hill and Mr. Percy, respectively. John G. Lonsdale, president of the National Bank of Commerce, St. Louis, was chosen Class A director by banks in Group 1 to succeed Mr. Hill, and Group 3 banks reelected Mr. Percy to succeed himself as Class B director, both to serve for three years from January 1, 1921. In December the Federal Reserve Board reappointed Mr. Boehne as Class C director to serve for three years from January 1, 1921. It also redesignated him as Deputy Chairman. The Board held 23 meetings during the year, with an average attendance of seven directors.

On January 7 the Board elected Directors Boehne, Hill and Wells to serve on the Executive Committee with the Governor and Federal Reserve Agent. Throughout the year the Executive Committee met Monday, Wednesday and Friday of each week, except from April 19 to September 13, during which period two meetings a week were held on Tuesdays and Thursdays. All told 147 meetings were held.

At the meeting of the directorate on January 7 the following officers were elected to serve during 1920: D. C. Biggs, Governor; Olin M. Attebery, Deputy Governor; J. G. McConkey, Counsel and Secretary; J. W. White, Cashier; A. H. Hail, J. W. Rinkleff, and W. H. Glasgow, Assistant Cashiers, and E. J. Novy, General Auditor. F. O. Watts, President of the First National Bank, St. Louis, was reelected to represent this bank on the Federal Advisory Council during 1920.

C. M. Stewart was reappointed Assistant Federal Reserve Agent at the beginning of the year.

Due to the expansion of the bank's operations during 1920 it became necessary to make additions to the official staff, and on July 21 the Board



of Directors elected S. F. Gilmore, E. C. Adams and F. N. Hall, Assistant Cashiers. One Assistant Cashier was elected in course of the year for each of the branches.

At the close of 1920 the Federal Reserve Bank of St. Louis and its branches had 851 officers and employees, of whom 136 were engaged in fiscal agency work. At the close of 1919 the total personnel was 541, of whom 104 were employed on fiscal agency work.

### BANKING QUARTERS

Through 1920 the Federal Reserve Bank continued to occupy its quarters in the Federal Reserve Bank Building, northeast corner of Broadway and Pine Street, St. Louis. Additional room being required, however, the War Savings Division was removed about May 1 to the building at 415 Locust Street, on the site purchased by this bank for permanent quarters.

As mentioned in preceding annual reports, this bank has purchased for permanent quarters the premises formerly occupied by the St. Louis Union Trust Company and the St. Louis Union Bank, northwest corner of Fourth and Locust streets, together with three parcels of real estate on Fourth Street contiguous to and immediately north of this property, constituting a frontage on Fourth Street of 161 feet 4 inches and on Locust Street of 127 feet  $3\frac{1}{2}$  inches. In addition, the bank has acquired the northeast corner of Broadway and Locust Street, fronting 65 feet on Broadway and 127 feet  $3\frac{1}{2}$  inches on Locust Street. An alley 15 feet wide, opening on Locust Street, has been vacated by the Municipality in return for an alley 16 feet wide, opening on Fourth Street, so that the site will be unbroken, and have a total frontage on the three streets of 479 feet, 11 inches.

This location is in the heart of the financial district, and ideal in every respect for banking purposes. It is sufficiently large to accommodate a structure calculated to serve present and future requirements of this institution. No work on our proposed building has as yet been undertaken.

## OPERATIONS OF BRANCHES

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During the year this bank continued to operate its branches at Louisville, Ky., Memphis, Tenn., and Little Rock, Ark. Facilities afforded by these auxiliaries were used freely by banks in the areas assigned to them. Transactions of all kinds were heavy at the branches, necessitating the enlargement of personnel. Discount operations in the branch cities were particularly heavy, and the check collection system was used to such an extent that the aggregate number of items handled by the three branches shows a marked gain over the preceding year.

### LOUISVILLE BRANCH

Total earnings of the Louisville branch for the year 1920 amounted to \$939,956.91 and its expenses were \$231,338.79, leaving net earnings of \$708,618.12. Of the total earnings, \$919,681.16 were derived from bills discounted for member banks. During the year this branch discounted for member banks a total of \$434,793,549.61 of paper and purchased bankers' acceptances in an aggregate of \$1,717,115.90. Schedule 4 shows the amounts of the different classes of paper discounted during the year, and in Schedule 6 is set forth the amount of bankers' acceptances purchased each month.

During 1920 the Louisville Branch handled 5,364,812 clearing items, aggregating \$1,264,438,485. It handled a total of 14,940 collections, amounting to \$27,559,504.99 and 1,091,801 Government coupons, amounting to \$5,935,621.47. Schedules 14, 15 and 16 show the clearing items, collection items and coupons handled each month. Its currency receipts from member and non-member banks for the year amounted to \$64,686,405.06 and its shipments amounted to \$51,934,498, as shown by Schedule 13.

On January 7 the directorate of the parent bank reappointed W. P. Kincheloe, Manager, and John T. Moore, Cashier, for 1920. It also re-elected as directors of the branch Mr. Kincheloe, George M. Norton and W. C. Montgomery. The Federal Reserve Board reappointed the following directors: F. M. Sackett and E. L. Swearingen. On June 1 the

directors of the St. Louis Bank elected Earl R. Muir Assistant Cashier of the Branch.

On August 18 the directorate authorized the purchase of 26 feet of ground directly north of the branch bank's present quarters at the north-east corner of Fifth and Market streets, and facing on Market Street, upon which will be erected a building to afford additional banking space required.

In April the Louisville Branch took over the clearing functions of the Louisville Clearing House.

At the close of the year the Louisville Branch had 79 officers and employees, which compares with 53 officers and employees at the close of 1919. The number of member banks assigned to it was 96.

### MEMPHIS BRANCH

In 1920 total earnings of the Memphis Branch amounted to \$1,156,254.45 and the expenses to \$305,878.78, with resultant net earnings of \$850,375.67. Of the total earnings \$1,133,117.63 were derived from bills discounted for member banks. During the year this branch discounted a total of \$264,222,585.86 of paper for member banks and purchased bankers' acceptances in the sum of \$123,632.79. Schedule 4 shows the amounts of the various classes of paper discounted, and Schedule 6 gives the amount of bankers' acceptances purchased each month in 1920.

The Memphis Branch in 1920 handled a total of 2,815,997 clearing items, representing \$695,518,201. It handled 16,649 collection items amounting to \$32,571,303.91 and 460,702 Government coupons with money equivalent of \$1,962,744.34. Schedule 14, 15 and 16 show the clearing items, collection items and coupons handled each month. Its currency receipts from members and non-members for the year amounted to \$61,204,024 and its shipments amounted to \$54,802,373, as shown by Schedule 13.

The directors of the Federal Reserve Bank of St. Louis reappointed John J. Heflin, Manager, and A. J. Williams, Cashier. As directors of this branch, Mr. Heflin, R. Brinkley Snowden and John D. McDowell were reelected by the parent directorate. The Federal Reserve Board reappointed T. K. Riddick and S. E. Ragland to serve as directors through 1920. V. S. Fuqua was elected Assistant Cashier by the Board of the St. Louis Bank on June 1.

Growth of business of the Memphis Branch requiring additional space, the Board of Directors of the parent institution on May 5 author-



ized the leasing of enlarged quarters in the Goodwyn Institute Building. The branch began to move into its new quarters on September 10.

At the end of 1920 the Memphis Branch had a total of 84 officers and employees, which compares with 68 at the close of business on December 31, 1919. The number of member banks assigned to it was 49.

### **LITTLE ROCK BRANCH**

Total earnings of the Little Rock Branch for 1920 totaled \$572,751.99 and its expenses were \$164,805.35, leaving net earnings of \$407,946.64. Of the total earnings \$555,826.61 were derived from bills discounted for member banks. In course of the year this branch discounted for member banks an aggregate of \$151,484,929.14 of paper. Schedule 4 shows the amounts of the different classes of paper discounted during 1920.

A total of 3,705,327 clearing items was handled by this branch in 1919, amounting to \$643,362,614. It handled, in addition, 6,698 collection items, amounting to \$15,248,496.95 and 271,061 Government coupons, with aggregate value of \$858,686.29. Schedules 14, 15 and 16 show the clearing items, collections and coupons handled each month. Its currency receipts from members and non-members for the year amounted to \$27,430,765, and its shipments amounted to \$24,540,426, as shown by Schedule 13.

A. F. Bailey and M. H. Long were reappointed Manager and Cashier, respectively, of the branch by the directorate of the St. Louis Federal Reserve Bank. Mr. Bailey, C. A. Pratt and J. E. England, Jr., were elected directors. The Federal Reserve Board reappointed Moorhead Wright and G. W. Rogers members of the Little Rock Branch Board. On August 4 the parent directorate elected F. A. Coe as Assistant Cashier.

On November 17 the directors of the St. Louis Bank authorized the purchase of 80x100 feet of ground at the corner of Third and Louisiana streets as a site for permanent quarters of the Little Rock Branch.

At the close of the year the Little Rock Branch had 68 officers and employees, which compares with 38 at the close of the preceding year. The number of member banks assigned to it was 68.

### **BRANCH BANK CONFERENCES**

In order to promote an intimate interchange of ideas and facilitate handling of banking matters, beginning September 29, 1920, officers of the branches met in St. Louis monthly with officials of the parent bank. In addition, visits were made for specific purposes to the branches by members of the staff of the St. Louis Bank.

JUL 16 1921



## FISCAL AGENCY OPERATIONS

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As fiscal agent of the United States Government, during 1920 the Federal Reserve Bank of St. Louis continued to receive and disburse funds for its account. It handled the sale and delivery of United States certificates of indebtedness and war savings stamps in this district, and also the exchange and conversion of Liberty Bonds for banks and the public.

### CERTIFICATES OF INDEBTEDNESS

In course of the year ten offerings of tax certificates of indebtedness were made by the Government, two in anticipation of income and excess profit taxes due in 1920 and eight in anticipation of similar revenues due in 1921. Financial institutions, corporations and individuals in this district subscribed to \$32,655,500 of the first two issues and to \$55,324,000 of the other eight issues. Details of the several offerings of tax certificates made in 1920 and the quotas and subscriptions to each in this district are shown in Schedule 20.

There were, also, eight offerings of so-called loan certificates of indebtedness. The total subscriptions to these amounted to \$40,955,000. Schedule 21 shows the eight offerings of loan certificates of indebtedness and the subscriptions of each in this District.

The number of different banks in the District subscribing to certificates of indebtedness during the year was 1,575.

During the year \$211,917,500 of certificates of indebtedness were redeemed by the Federal Reserve Bank of St. Louis and its branches, as shown by Schedule 22.

### DEPOSIT OF TREASURY FUNDS WITH BANKS

Three banks in this District qualified in 1920 for deposits arising out of the sale of Treasury certificates of indebtedness. Adding those which had qualified prior to January 1, 1920, and deducting those which were dropped from the list, there were 478 Government depositaries at the end of the year under review.

This bank had custody of all collateral offered as security for these deposits and performed all duties incident to the deposit and withdrawal

of funds, interest, etc. To facilitate matters, several outside custodians of the collateral were appointed. The largest amount of collateral held at any time was on January 9, when the securities totaled \$46,487,000. The average securities pledged against war loan deposits at the end of each month during 1920 were as follows: In our own vaults, \$10,181,399.08; outside custodians, \$4,556,884.73. The average number of outside custodians at the end of each month was 5. The largest amount of deposits outstanding with depositaries at any one time was \$29,102,000, on January 5. The total amount of deposits made with depositaries during the year was \$86,925,000, of which \$7,333,000 was outstanding at the close of business December 31. Interest collected by the Federal Reserve Bank for account of the United States Government on such deposits during the year amounted to \$96,235

### **WAR SAVINGS STAMPS, ETC.**

During the year 12,016 Thrift Stamps, amounting to \$3,004; 11,541 War Savings Stamps, maturity value, \$57,705, and 6,225 Treasury Savings Certificates in denominations of \$100 and \$1,000, maturity value, \$1,361,400, were reported sold by agents in the Eighth Federal Reserve District.

These totals show a very material decrease as contrasted with those of 1919. The decrease in sales may be attributed largely to the fact that no special campaign for disposing of these securities was undertaken, as was the case in 1919. Another reason for the falling off was the higher rate of interest offered investors by market levels of other securities, including Liberty Bonds. However, there seems to be a growing demand for Treasury Savings Certificates among small investors.

There were redeemed during the year 20,256 Thrift Stamps, aggregating \$5,064; 18,038 War Savings Stamps of maturity—value \$90,190, and 6,558 Treasury Savings Certificates with maturity value of \$1,137,300. Cash reimbursements amounting to \$3,480 were also made on 870 thrift cards.

Schedules 23 and 24 show the number and amount of War Savings Stamps, Thrift Stamps and Treasury Savings Certificates sold and redeemed each month in 1920.

### **EXCHANGES AND CONVERSIONS OF LIBERTY BONDS**

Early in March the exchange of permanent Third Liberty Loan Coupon Bonds for temporary securities of the same issue was authorized. Almost simultaneously with this exchange occurred the delivery of permanent First Converted and Second Converted Liberty Loan Bonds against temporary bonds surrendered. During March, April and



May an enormous volume of these bonds in temporary form was surrendered for exchange by subscribers. The following months, however, witnessed a marked decline in the number of pieces handled and the congestion was relieved. Prompt deliveries on permanent bonds were maintained throughout the period, with the result that banks were well and regularly served.

During the year the Federal Reserve Bank of St. Louis and its branches converted 215,338 Liberty Bonds and Victory Notes of the par value of \$26,815,400; exchanged 210,833 coupon bonds, aggregating \$44,765,500 for registered bonds; exchanged 7,997 registered bonds, amounting to \$2,568,600 for coupon bonds, and exchanged 1,356,283 temporary bonds, amounting to \$247,241,950 for permanent bonds. There were also 135,691 bonds, aggregating \$15,943,850, exchanged for similar bonds of different denominations, and 9,699 registered bonds amounting to \$3,331,550, were transferred.

Schedule 25 gives details relative to the conversion and exchange of Liberty Loan Bonds and Victory Notes during 1920.

#### DELIVERY OF PERMANENT LIBERTY BONDS ON CONSIGNMENT

Pursuant to Treasury Department Circular No. 164, 33 banks and trust companies which had previously qualified as Government depositaries under Treasury Department Circular No. 92, as amended and supplemented April 17, 1919, availed themselves of their privilege to obtain permanent Liberty Bonds on consignment to exchange for temporary bonds. This bank had custody of all collateral offered as security for consignment of bonds and performed all duties incident to the consignment of permanent and surrender of temporary bonds for credit in permanent bond account. The largest amount of collateral in custody at any one time was held on March 25, when securities totaled \$2,849,050. The largest amount of bonds outstanding on consignment at any given time was \$2,345,050, on August 20. Deliveries of permanent Liberty Loan Bonds on consignment for the year amounted to \$13,227,200, of which \$788,950 were outstanding at the close of business December 31. These were divided among the several issues as follows:

First Liberty Loan Bonds, Con. 4¼% of 1932-47.....\$	667,800
Second Liberty Loan Bonds, Con. 4¼% of 1927-42	3,476,950
Third Liberty Loan Bonds, 4¼% of 1928.....	9,082,450
<b>Total</b> .....	<b>\$13,227,200</b>

No deliveries of permanent Fourth Liberty Loan Bonds were made in 1920.

## WAR FINANCE CORPORATION

On account of the discontinuance of War Finance Corporation operations, activities during 1920 were in the nature of redemption only. On April 1, 1920, the \$200,000,000 issue of Series "A" one-year 5% Gold Bonds, matured. The Federal Reserve Bank of St. Louis purchased \$303,000 of these bonds prior to maturity for account of the War Finance Corporation. On and after maturity a total of \$3,646,000 of these bonds was redeemed making a total of \$3,949,000 redeemed and cancelled by this bank. Coupons from the bonds were redeemed and cancelled during the year in the total amount of \$111,150.

### TAKING OVER THE FUNCTIONS OF THE ST. LOUIS SUBTREASURY

In accordance with the terms of the Federal Reserve Act and under directions of the Secretary of the Treasury, many functions of the Subtreasury were being performed by the Federal Reserve Bank of St. Louis prior to passage of the Act approved May 29, 1920, providing for the discontinuance of subtreasuries.

Receiving deposits and making shipments of paper currency and coin have long been matters of daily routine, and since the establishment of a balance to the credit of the United States Treasurer in 1916, this bank has been authorized to receive checks and warrants drawn on the Treasurer of the United States, as well as coupons from United States notes and bonds, and to redeem maturing United States bonds. Up to the present these duties have also been performed by the Subtreasury. The redemption of Certificates of Indebtedness in this district has been handled entirely through the Federal Reserve Bank and its branches.

On November 1, 1920, the Federal Reserve Bank of St. Louis was authorized to exchange, replace and redeem United States paper currency and with the discontinuance of the Subtreasury a similar function will be assumed with respect to the handling of coin. These functions, however, have had but slight effect on the operations of the bank, except in its relations with the Treasury Department, inasmuch as they were already being performed as bank operations in its daily transactions with member and non-member banks.

All of the functions of the Subtreasury are now being performed either directly or indirectly by the Federal Reserve Bank of St. Louis and no difficulty is anticipated when the Subtreasury is discontinued.

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## SCHEDULES

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SCHEDULE 1.—Comparative profit and loss statements of Federal Reserve Bank of St. Louis, including branches, for years 1919 and 1920

	1920	1919.
Earnings from—		
Bills discounted for members and other Federal Reserve Banks.....		\$2,918,462.08
Bills purchased—acceptances.....	\$6,382,356.63	2,564,495.64
United States securities.....	273,121.81	320,411.78
Transfers—net earnings.....	391,611.19	10,570.02
Deficient reserve penalties (including interest).....	104,163.52	52,372.89
Sundry profits.....	28,560.47	18,165.88
Total earnings.....	7,180,117.23	3,884,478.29
Expenses—		
Current expenses {Operating.....	\$1,392,696.85	\$08,783.52
Furniture and equipment charged off.....	176,101.99	72,798.23
Federal Reserve Board assessments.....	26,618.39	24,681.38
Cost of Federal Reserve currency.....	329,038.69	267,220.12
Current net earnings.....	5,255,661.31	1,174,753.26
Deductions account of—		2,709,685.03
Reserve for Federal Reserve Board assessments, January-June, 1920.....	\$ 365,000.00	\$ 19,519.44
Bank premises cost, reduced.....	34,615.00	235,000.00
Depreciation United States securities.....	.....	.....
All other.....	399,615.00	11.68
Less: Reserve for Federal Reserve Board assessment January-June, 1920, reversed	19,519.44	354,531.12
Net earnings available for dividends, surplus, etc.....	380,095.56	2,355,153.91
Dividends paid.....	4,875,565.75	234,659.91
Balance transferred to surplus.....	253,711.36	.....
Surplus previous year.....	4,021,834.39	2,120,494.00
Surplus end of year.....	3,723,805.22	1,602,311.22
	8,345,459.61	3,723,805.22

**SCHEDULE 2.—Comparative balance sheets of the Federal Reserve Bank of St. Louis,  
including its branches, as of December 31, 1919 and 1920.**

RESOURCES		Dec. 31, 1920	Dec. 31, 1919
<b>Reserves—</b>			
Gold redemption fund against F. R. notes.....	\$	6,403,990.00	\$ 6,132,620.00
Gold with Federal Reserve agent.....		49,337,145.00	61,624,715.00
Gold settlement fund.....		21,763,038.67	17,887,751.75
Gold bullion and coin.....		3,036,809.69	237.50
Gold certificates (including C. H. Ctfs.).....		2,091,410.00	2,756,890.00
Gold with foreign agencies.....		155,100.00	6,172,049.99
Silver coin and certificates (including C. H. Ctfs.)....		4,177,243.30	1,189,706.00
Legal tender notes (including C. H. Ctfs.).....		1,911,053.00	1,164,189.50
Total reserves .....		88,875,789.66	96,928,159.74
<b>Deductions from deposits—</b>			
National bank notes.....		571,790.00	747,310.00
Bank notes of other F. R. banks.....			71,192.00
F. R. notes of other F. R. banks.....		703,400.00	1,957,805.00
Unassorted currency.....		3,064,022.00	5,888,621.00
Exchange for clearing house.....		1,037,888.63	3,460,255.75
Transit items.....		33,846,644.81	61,717,611.15
Total deductions from deposits.....		39,223,745.44	73,842,794.90
<b>Loans, discounts and investments—</b>			
Bills discounted—members—			
Secured by Government obligations.....		43,776,447.49	45,068,227.23
Otherwise secured and unsecured.....		71,156,311.51	32,611,246.03
Bills purchased in open market.....		1,199,450.18	32,803,679.36
United States bonds.....		1,153,400.00	1,153,400.00
U. S. certificates of indebtedness securing circulation..		15,568,000.00	17,068,000.00
U. S. certificates of indebtedness, other.....		454,500.00	170,000.00
Total investments .....		133,308,109.18	128,874,552.62
<b>Other resources—</b>			
Five per cent fund against F. R. bank notes.....		623,200.00	672,800.00
Nickels and cents.....		219,455.29	113,486.98
Overdrafts—members.....		2,235.96	1,046.64
War loan expenses (due from U. S. Treasury).....		70,416.64	105,203.98
War Finance Corporation (reimbursable).....			1,252.95
Interest accrued U. S. obligations.....		184,942.94	181,755.28
Unmatured Government coupons.....		484.08	111.81
Real estate owned.....		541,414.00	355,736.50
Deferred charges.....		52,168.82	17,263.35
Total other resources.....		1,694,317.73	1,448,657.49
Total resources .....		263,101,962.01	301,094,164.75
LIABILITIES		Dec. 31, 1920	Dec. 31, 1919
<b>Notes—</b>			
Federal Reserve notes in actual circulation.....	\$	135,785,330.00	\$ 145,298,330.00
F. R. bank notes secured by U. S. obligations in circulation—net liability .....		9,486,750.00	15,498,324.00
Total .....		145,272,080.00	160,796,654.00
<b>Deposits—</b>			
U. S. Government.....		2,618,369.48	2,352,383.96
Members' reserve accounts.....		66,902,690.78	72,282,788.29
Non-member clearing accounts.....		465,756.47	348,498.56
Foreign banks.....		188,000.00	3,397,820.66
Cashier's checks.....		62,346.49	199,436.62
Transit items.....		34,031,842.37	53,382,712.99
Gross deposits .....		104,269,005.59	131,963,641.07
<b>Capital—</b>			
Capital paid in.....		4,364,750.00	4,064,450.00
Surplus .....		8,345,659.61	3,723,805.22
Total capital .....		12,710,409.61	7,788,255.22
<b>Other liabilities:</b>			
Unearned discount.....		484,016.90	296,691.41
Reserved for other taxes.....		29,034.07	
Reserved for sundry expenses.....		129,877.46	56,180.04
Difference account.....		126.38	226.57
Reserve for F. R. Board assessment.....			19,519.44
Reserve for depreciation U. S. bonds.....		207,612.00	172,997.00
Total other liabilities.....		850,466.81	545,614.46
Total liabilities .....		263,101,962.01	301,094,164.75
<b>Memorandum: Discounted paper pledged with F. R. agent to secure F. R. notes.....</b>		116,079,990.83	110,358,070.82
<b>Percentage of total reserve against net deposit and F. R. note liabilities.....</b>		44.3%	47.7%

**SCHEDULE 3.—Movement of principal asset and liability items of Federal Reserve Bank of St. Louis, including its branches, during 1920.**  
(Amounts in thousands of dollars.)

Date	Total earning assets	Total held	Redis- counted with other F. R. banks!	DISCOUNTED BILLS			PURCHASED BILLS			U. S. securi- ties	Total cash reserves	Net deposits in circu- lation	F. R. notes in circu- lation	Reserve Percentage	
				Discounted for member banks in this district			Pur- chased in open market	Sold to other F. R. banks!	Total held					Actual	Adjust- ed
				A	B	C									
Jan. 2	\$131,408	\$ 80,858	\$—1,500	\$ 80,858	\$ 48,271	59.7	% 7.372	\$—23,789	\$ 31,151	% 19.389	% 95,820	\$ 61,121	\$143,411	46.9	58.5
9	113,764	74,214	—	69,714	41,140	59.0	7.201	—13,953	21,154	18.396	104,882	56,179	138,729	53.9	53.0
16	129,817	96,715	—12,970	82,745	49,062	59.3	7.090	—8,578	15,668	18.468	96,216	65,347	136,674	41.4	51.6
23	133,505	101,690	—7,470	94,220	46,959	49.8	6.587	—6,023	12,612	18.532	89,446	65,430	133,849	48.9	51.6
30	122,835	93,362	—	93,362	48,300	51.7	9.197	—	10,860	18.573	95,782	61,532	134,129	47.9	47.9
Feb. 6	126,883	94,102	—	94,102	50,405	51.5	8.516	—	9,466	18.532	93,571	61,532	134,129	47.9	47.9
13	124,314	96,072	—	96,072	50,405	52.5	8.798	—	9,466	18.532	93,571	61,532	134,129	48.7	48.7
20	120,715	102,281	—	102,281	49,686	48.6	8.502	—	10,524	18.632	88,750	56,522	130,522	44.8	44.8
27	135,953	105,989	—	105,989	51,153	48.3	10,524	—	10,524	18.632	88,750	56,522	130,522	44.8	44.8
Mar. 6	135,953	105,989	—	105,989	51,153	48.3	10,524	—	10,524	18.632	88,750	56,522	130,522	44.8	44.8
13	135,953	105,989	—	105,989	51,153	48.3	10,524	—	10,524	18.632	88,750	56,522	130,522	44.8	44.8
20	135,953	105,989	—	105,989	51,153	48.3	10,524	—	10,524	18.632	88,750	56,522	130,522	44.8	44.8
27	135,953	105,989	—	105,989	51,153	48.3	10,524	—	10,524	18.632	88,750	56,522	130,522	44.8	44.8
Apr. 3	135,953	105,989	—	105,989	51,153	48.3	10,524	—	10,524	18.632	88,750	56,522	130,522	44.8	44.8
10	135,953	105,989	—	105,989	51,153	48.3	10,524	—	10,524	18.632	88,750	56,522	130,522	44.8	44.8
17	135,953	105,989	—	105,989	51,153	48.3	10,524	—	10,524	18.632	88,750	56,522	130,522	44.8	44.8
24	135,953	105,989	—	105,989	51,153	48.3	10,524	—	10,524	18.632	88,750	56,522	130,522	44.8	44.8
May 1	135,953	105,989	—	105,989	51,153	48.3	10,524	—	10,524	18.632	88,750	56,522	130,522	44.8	44.8
8	135,953	105,989	—	105,989	51,153	48.3	10,524	—	10,524	18.632	88,750	56,522	130,522	44.8	44.8
15	135,953	105,989	—	105,989	51,153	48.3	10,524	—	10,524	18.632	88,750	56,522	130,522	44.8	44.8
22	135,953	105,989	—	105,989	51,153	48.3	10,524	—	10,524	18.632	88,750	56,522	130,522	44.8	44.8
29	135,953	105,989	—	105,989	51,153	48.3	10,524	—	10,524	18.632	88,750	56,522	130,522	44.8	44.8
June 5	135,953	105,989	—	105,989	51,153	48.3	10,524	—	10,524	18.632	88,750	56,522	130,522	44.8	44.8
12	135,953	105,989	—	105,989	51,153	48.3	10,524	—	10,524	18.632	88,750	56,522	130,522	44.8	44.8
19	135,953	105,989	—	105,989	51,153	48.3	10,524	—	10,524	18.632	88,750	56,522	130,522	44.8	44.8
26	135,953	105,989	—	105,989	51,153	48.3	10,524	—	10,524	18.632	88,750	56,522	130,522	44.8	44.8
July 3	135,953	105,989	—	105,989	51,153	48.3	10,524	—	10,524	18.632	88,750	56,522	130,522	44.8	44.8
10	135,953	105,989	—	105,989	51,153	48.3	10,524	—	10,524	18.632	88,750	56,522	130,522	44.8	44.8
17	135,953	105,989	—	105,989	51,153	48.3	10,524	—	10,524	18.632	88,750	56,522	130,522	44.8	44.8
24	135,953	105,989	—	105,989	51,153	48.3	10,524	—	10,524	18.632	88,750	56,522	130,522	44.8	44.8
31	135,953	105,989	—	105,989	51,153	48.3	10,524	—	10,524	18.632	88,750	56,522	130,522	44.8	44.8





**SCHEDULE 4.—Paper discounted for member banks by the Federal Reserve Bank of St. Louis and its branches during 1920 (exclusive of paper discounted for other Federal Reserve Banks and bankers' acceptances purchased).**

Classes of Paper Discounted.				St. Louis Parent Bank	Louisville Branch	Memphis Branch	Little Rock Branch	Totals
Member banks' collateral notes secured by Government war obligations .....				\$ 749,873,316.54	\$339,154,126.32	\$151,263,560.36	\$106,512,630.60	\$1,346,813,632.82
Member banks' collateral notes otherwise secured .....				1,487,650.00	10,000.00	1,395,719.78	59,000.00	2,952,369.78
Customers' paper secured by Government war obligations .....				54,421,342.64	14,220,374.50	21,421,541.95	4,854,070.45	94,417,329.54
Agricultural and live stock paper .....				13,406,002.48	3,500,000.00	4,463,796.77	3,221,302.24	24,591,091.49
Trade acceptances .....				3,413,951.32	2,000,224.37	6,347,752.59	1,709,282.13	13,471,151.01
Other discounts .....				764,937,585.42	75,898,824.32	79,330,220.41	35,628,703.72	955,795,133.97
<b>Totals .....</b>				<b>\$1,587,539,649.00</b>	<b>\$434,793,549.61</b>	<b>\$264,222,585.86</b>	<b>\$151,184,929.14</b>	<b>\$2,438,040,713.61</b>

Total Paper Discounted by Months and States.	Arkansas	Illinois	Indiana	Kentucky	Mississippi	Missouri	Tennessee	Totals
January .....	\$10,516,217.69	\$10,682,398.01	\$3,357,413.12	\$35,706,684.06	\$973,770.44	\$120,635,777.21	\$13,517,664.11	\$155,392,324.54
February .....	8,709,431.44	6,287,446.07	3,692,447.88	19,717,223.84	589,500.00	114,495,583.38	13,231,170.47	166,776,593.08
March .....	16,273,549.45	12,710,345.95	4,369,434.49	30,200,306.65	861,918.66	181,781,582.82	23,199,172.11	259,346,846.43
April .....	15,778,579.59	13,062,190.59	4,655,697.91	44,676,913.18	904,187.44	160,044,731.39	23,482,076.33	252,401,976.33
May .....	15,819,214.79	9,183,678.61	3,171,079.32	30,570,419.21	1,187,993.33	180,441,704.17	15,105,403.05	208,411,941.8
June .....	17,320,264.50	10,949,031.01	3,640,462.61	25,626,313.24	1,597,442.13	101,992,457.56	17,446,554.20	178,176,538.48
July .....	17,841,077.17	10,674,780.13	3,516,028.58	30,331,066.65	1,662,452.13	110,690,959.33	17,013,157.12	152,600,908.43
August .....	18,084,463.61	7,599,195.01	2,721,250.00	40,394,101.11	1,867,953.93	177,111,921.61	17,122,167.08	207,311,183.34
September .....	21,628,006.91	8,798,320.58	3,013,778.24	53,064,130.83	2,686,568.32	168,423,266.54	17,433,865.46	208,742,583.47
October .....	21,364,027.82	18,703,926.38	2,432,556.36	33,336,793.89	2,930,639.69	84,390,355.23	16,624,114.05	178,177,526.53
November .....	21,512,594.30	11,243,736.26	3,502,685.96	23,900,478.05	2,995,781.06	83,908,143.39	21,636,580.96	158,300,416.63
December .....	\$204,422,074.93	\$122,458,460.13	\$41,514,244.64	\$426,245,095.16	\$18,705,531.06	\$1,407,879,097.93	\$216,786,209.76	\$2,438,040,713.61
<b>Totals .....</b>	<b>\$204,422,074.93</b>	<b>\$122,458,460.13</b>	<b>\$41,514,244.64</b>	<b>\$426,245,095.16</b>	<b>\$18,705,531.06</b>	<b>\$1,407,879,097.93</b>	<b>\$216,786,209.76</b>	<b>\$2,438,040,713.61</b>

Number member banks 12-31-20 .....	114	176	61	69	15	111	25	571
Different banks discounting during year .....	94	103	30	45	11	82	21	386

SCHEDULE 5.—*Paper discounted for and paper rediscounted with other Federal Reserve Banks by Federal Reserve Bank of St. Louis each month during 1920 (including bankers' acceptances purchased from or sold to other reserve banks).*

DISCOUNTED FOR FEDERAL RESERVE BANKS OF

	Philadelphia	New York	Totals
January	\$8,000,000	\$5,000,000	\$13,000,000
February			
March			
April			
May			
June			
July			
August			
September			
October			
November			
December			
Totals	\$8,000,000	\$5,000,000	\$13,000,000

REDISCOUNTED WITH FEDERAL RESERVE BANKS OF

	Minneapolis	Cleveland	San Francisco	Boston	New York	Philadelphia	Totals
January							
February							
March	\$2,523,000.00	\$10,000,000.00	\$5,000,000.00	\$22,000,000.00	\$23,000,595.23	\$5,000,000.00	\$77,523,000.00
April		20,999,014.20	7,500,000.00	5,000,000.00	25,000,000.00		73,498,609.43
May		5,000,000.00		3,000,000.00	5,000,000.00		3,000,000.00
June				1,000,000.00			1,000,000.00
July				17,978,518.32	7,000,000.00		24,978,518.32
August		14,000,000.00		47,978,518.32			47,978,518.32
September		16,999,110.50		17,999,319.48		13,000,000.00	47,997,436.18
October		14,499,886.50		22,997,438.82		7,999,840.00	45,497,115.02
November						4,000,000.00	4,000,000.00
December							
Totals	\$2,523,000.00	\$81,497,967.20	\$12,500,000.00	\$133,971,332.32	\$60,000,595.23	\$29,999,840.00	\$315,498,734.75



Month	By St. Louis parent bank from member banks.	By parent bank from dealers in St. Louis market.	By Louisville branch from members.	By Memphis branch from members.	By Little Rock branch from members.	Direct from other Federal Reserve Banks	Through Federal Reserve Bank of New York.	Totals.
January	\$3,245,000.00	\$1,100,000.00	\$475,000.00	\$48,583.87	.....	.....	.....	\$4,820,000.00
February	3,087,744.27	1,715,374.94	647,310.06	.....	.....	.....	.....	5,179,813.41
March	4,225,260.35	1,560,588.76	332,000.00	.....	.....	.....	\$250,000.00	6,119,053.51
April	2,726,414.70	1,328,421.84	91,211.81	13,002.50	.....	.....	.....	4,149,053.85
May	1,222,802.49	1,322,809.68	41,077.05	.....	.....	.....	.....	2,566,589.32
June	1,205,964.60	1,849,526.60	60,000.00	.....	.....	.....	.....	2,255,491.20
July	1,009,000.00	1,040,770.22	.....	.....	.....	.....	.....	2,040,770.22
August	375,000.00	800,000.00	.....	.....	.....	.....	.....	985,000.00
September	330,000.00	10,000.00	.....	.....	.....	.....	.....	1,345,000.00
October	957,808.77	330,000.00	.....	.....	.....	.....	.....	2,101,937.54
November	245,000.00	1,334,031.77	.....	.....	.....	.....	.....	572,563.40
December	597,500.00	1,118,752.28	.....	62,046.42	.....	.....	.....	2,316,252.38
Totals	\$19,223,592.68	\$14,700,276.09	\$1,717,115.90	\$123,632.79	.....	.....	\$250,000.00	\$36,019,617.46

SCHEDULE 7.—Discount rates of Federal Reserve Bank of St. Louis during 1920.

	Jan. 1	Jan. 24	Jan. 27	Mar. 4	Apr. 23	Apr. 24	May 15	May 20	July 1
Member banks' 15-day collateral notes:									
Secured by certificates of indebtedness.....	4½%	4¾%	4¾%	5%	5½%	5¼%	5¾%	5¼%	5¾%
Secured by certificates of indebtedness, except 5¼% certificates.....	.....	.....	.....	.....	5%	5¼%	5%	5¼%	5¾%
Secured by certificates of indebtedness, except 5¼% and 5½% cifs.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Secured by certificates of indebtedness, except 5¼% and 5½% cifs.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Secured by certificates of indebtedness bearing less than 5¼%.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Secured by Liberty Bonds or Victory Notes.....	4¾%	5½%	5½%	5½%	5½%	5½%	5½%	5½%	5½%
Secured by War Finance Corporation bonds.....	5¾%	7%	7%	7%	6%	6%	6%	6%	6%
Secured by bills receivable.....	4¾%	6%	6%	6%	.....	.....	.....	.....	.....
Rediscounts: 1 to 90 days—									
Secured by certificates of indebtedness.....	4½%	4¾%	4¾%	5%	5%	5¼%	5¾%	5¼%	5¾%
Secured by certificates of indebtedness, except 5¼% certificates.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Secured by certificates of indebtedness, except 5¼% and 5½% certificates.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Secured by certificates of indebtedness bearing less than 5¼%.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Secured by Liberty Bonds or Victory Notes.....	4¾%	5½%	5½%	5½%	5½%	5½%	5½%	5½%	5½%
Secured by War Finance Corporation bonds.....	5¾%	7%	7%	7%	6%	6%	6%	6%	6%
Secured by bills receivable.....	4¾%	6%	6%	6%	.....	.....	.....	.....	.....
Commercial Paper.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Agricultural or Livestock Paper—									
1 to 90 days.....	4¾%	6%	6%	6%	6%	6%	6%	6%	6%
91 days to 6 months.....	5½%	6%	6%	6%	6%	6%	6%	6%	6%
Trade acceptances.....	4½%	5%	5%	5%	5%	5%	5%	5%	5%
Bankers' acceptances.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Bankers' acceptances, purchased in the market, subject to agreement	.....	.....	.....	.....	.....	.....	.....	.....	.....

*SCHEDULE 8.—Federal Reserve notes issued by Federal Reserve Agent to Federal Reserve Bank of St. Louis each month during 1920.*

	Fives	Tens	Twenties	Fifties	Hundreds
January.....	\$ 800,000	\$ 900,000	\$ 600,000	\$ 700,000	\$ 200,000
February.....	3,300,000	4,620,000	3,440,000	300,000	.....
March.....	2,560,000	1,920,000	1,840,000	350,000	.....
April.....	1,600,000	2,600,000	1,840,000	.....	300,000
May.....	2,900,000	2,400,000	960,000	.....	.....
June.....	2,100,000	2,000,000	2,560,000	400,000	400,000
July.....	3,140,000	2,320,000	3,120,000	600,000	.....
August.....	3,980,000	4,800,000	4,720,000	.....	.....
September.....	3,700,000	4,400,000	2,720,000	.....	400,000
October.....	2,800,000	4,160,000	4,320,000	800,000	.....
November.....	2,300,000	1,680,000	2,400,000	400,000	800,000
December.....	3,380,000	2,760,000	2,880,000	600,000	.....
Totals.....	32,560,000	34,560,000	31,400,000	4,150,000	2,100,000

	Five Hundreds	One Thousands	Five Thousands	Ten Thousands	Totals
January.....	\$150,000	\$300,000	.....	.....	\$ 3,650,000
February.....	.....	.....	.....	.....	11,660,000
March.....	150,000	200,000	.....	.....	7,020,000
April.....	.....	100,000	\$100,000	.....	6,540,000
May.....	.....	.....	.....	.....	6,260,000
June.....	200,000	200,000	.....	\$100,000	8,060,000
July.....	.....	.....	.....	.....	9,180,000
August.....	.....	.....	.....	.....	13,500,000
September.....	100,000	.....	.....	.....	11,320,000
October.....	.....	.....	.....	.....	12,080,000
November.....	.....	.....	.....	.....	7,580,000
December.....	.....	.....	.....	.....	9,620,000
Totals.....	600,000	900,000	100,000	100,000	106,470,000

*SCHEDULE 9.—Federal Reserve notes outstanding December 31, 1919, issued, returned and redeemed during 1920 and outstanding December 31, 1920.*

	Outstanding December 31, 1919	Issued and re-issued during 1920	Returned by bank during 1920	Redeemed during 1920	Outstanding December 31, 1920
Fives.....	\$ 36,026,805	\$ 32,560,000	\$ 480,000	\$35,371,570	\$32,735,235
Tens.....	48,638,100	34,560,000	920,000	37,610,580	44,667,520
Twenties.....	63,580,400	31,400,000	1,100,000	34,864,120	59,016,280
Fifties.....	9,036,350	4,150,000	400,000	3,130,500	9,655,850
One hundreds.....	5,495,800	2,100,000	100,000	1,200,800	6,295,000
Five hundreds.....	397,500	600,000	.....	89,000	908,500
One thousands.....	1,194,000	900,000	200,000	171,000	1,723,000
Five thousands.....	100,000	100,000	50,000	.....	150,000
Ten thousands.....	250,000	100,000	100,000	10,000	240,000
Totals.....	164,718,855	106,470,000	3,350,000	112,447,570	*155,391,385

\*18,020 705 of Federal Reserve notes were held by the Federal Reserve Bank and its branches and \$1,585,350 were in transit to Washington for redemption, leaving \$135,785,330 in actual circulation at end of year.

SCHEDULE 10.—Comparative statements of Federal Reserve agent's accounts as of December 31, 1919 and 1920.

RESOURCES	December 31, 1920	December 31, 1919
Federal Reserve notes on hand.....	\$23,780,000.00	\$21,600,000.00
Federal Reserve notes outstanding..	166,391,388.00	164,718,955.00
Discounted paper pledged to secure Federal Reserve notes.....	116,079,990.083	110,358,070.82
Gold deposited to secure Federal Reserve notes—		
In hands of Federal Reserve agent.....	\$6,060,000.00	4,000,000.00
In Federal Reserve agent's fund at Washington.....	39,530,600.00	53,980,600.00
In gold redemption fund at Washington.....	3,746,545.00	3,694,115.00
	49,337,145.00	61,624,715.00
Unfit notes redeemed and destroyed by Comptroller (total).....	225,828,615.00	113,381,045.00
Totals.....	570,417,135.83	471,582,785.82
LIABILITIES		
Federal Reserve notes received from Comptroller (gross).....	\$405,000,000.00	\$299,600,000.00
Collateral received from Federal Reserve Bank—		
Discounted paper.....	116,079,990.83	110,358,070.82
Gold .....	49,337,145.00	61,624,715.00
Totals.....	570,417,135.83	471,582,785.82

SCHEDULE 11.—Federal Reserve notes received from other Federal Reserve Banks for redemption or credit and returned to other Federal Reserve Banks for redemption or credit by Federal Reserve Bank of St. Louis, including its branches, during 1920.

Federal Reserve Bank of—	Received from	Returned to
Boston.....	\$ 1,069,700	\$ 1,473,260
New York.....	8,004,350	8,641,040
Philadelphia.....	1,376,500	2,167,907 ½
Cleveland.....	3,091,800	9,379,895
Richmond.....	2,229,500	2,275,895
Atlanta.....	12,207,300	9,450,565
Chicago.....	14,976,500	37,721,440
Minneapolis.....	933,000	1,908,585
Kansas City.....	3,108,800	11,355,185
Dallas.....	4,762,000	8,417,967 ½
San Francisco.....	2,834,130	2,880,245
	59,593,580	95,669,985

SCHEDULE 12.—Federal Reserve Bank notes outstanding December 31, 1919, issued and redeemed during 1920 and outstanding December 31, 1920.

	Outstanding December 31, 1919	New notes issued in 1920 to replace unfit notes redeemed	Unfit notes redeemed during 1920	Outstanding December 31, 1920
Ones.....	\$11,144,152	\$ 6,980,000	\$13,434,000	\$4,690,152
Twos.....	2,146,698	2,400,000	2,836,000	1,709,698
Fives.....	2,437,350	2,220,000	2,079,100	2,578,250
Tens.....	480,800	.....	334,600	146,200
Twenties.....	400,000	80,000	188,300	291,700
Fifties.....	.....	200,000	7,400	192,600
Totals.....	16,608,000	11,880,000	18,879,400	*9,608,600

\*\$121,850 of Federal Reserve Bank notes were held by the Federal Reserve Bank and its branches, leaving \$9,486,750 of bank notes in actual circulation at end of year.



**SCHEDULE 13.—Currency and coin receipts from and payments to member and non-member banks by Federal Reserve Bank of St. Louis and its branches during 1920.**

	RECEIPTS FROM				PAYMENTS TO			
	Members		Non-members		Members		Non-members	
	Amount	Number	Amount	Number	Amount	Number	Amount	Number
<b>Totals.....</b>	<b>412,140,884.24</b>	<b>31,285,903.89</b>	<b>443,426,788.16</b>	<b>344,456,290.43</b>	<b>25,878,107.69</b>	<b>370,334,398.12</b>		
St. Louis, parent bank.....	\$973,536,344.82	\$16,569,249.28	\$290,105,594.10	\$224,312,841.43	\$14,744,559.69	\$239,057,101.12		
Louisville Branch.....	63,413,174.45	1,273,230.61	4,638,405.06	36,897,320.00	7,932,418.00	51,394,498.00		
Memphis Branch.....	54,534,275.00	6,659,749.00	61,204,025.00	61,204,025.00	2,336,630.00	44,862,378.00		
Little Rock Branch.....	20,647,090.00	6,783,675.00	27,430,765.00	22,224,736.00		24,540,420.00		
<b>Totals.....</b>	<b>412,140,884.24</b>	<b>31,285,903.89</b>	<b>443,426,788.16</b>	<b>344,456,290.43</b>	<b>25,878,107.69</b>	<b>370,334,398.12</b>		

**SCHEDULE 14.—Clearing items handled by Federal Reserve Bank of St. Louis and its branches during 1920.**

Classes of items handled	St. Louis Parent Bank		Louisville Branch		Memphis Branch		Little Rock Branch		Totals	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Checks on local banks.....	2,824,283	3,333,712,359	941,288	\$842,308,032	809,243	\$493,172,060	509,217	\$339,969,962	5,084,031	\$5,009,162,413
Checks on other banks in this district.....	14,892,457	1,358,084,169	4,014,663	332,466,056	1,881,348	170,850,033	3,034,260	258,982,853	23,822,728	2,120,383,116
Checks on banks in other districts.....	284,171	117,018,610	121,563	30,748,101	25,351	11,244,233	88,688	23,786,545	519,773	182,747,490
Checks and warrants on U. S. Treasurer.....	1,133,614	123,762,827	287,298	58,916,296	100,055	20,251,575	73,162	20,673,243	1,644,129	223,604,246
<b>Totals.....</b>	<b>19,134,525</b>	<b>4,932,577,965</b>	<b>5,364,812</b>	<b>1,264,438,485</b>	<b>2,815,997</b>	<b>695,518,201</b>	<b>3,705,327</b>	<b>643,362,614</b>	<b>31,070,661</b>	<b>7,535,897,265</b>

Total items handled by months	January.....	February.....	March.....	April.....	May.....	June.....	July.....	August.....	September.....	October.....	November.....	December.....	Totals.....
	1,421,819	1,336,596	1,691,457	1,616,604	1,508,194	1,604,093	1,549,629	1,608,800	1,693,605	1,748,729	1,676,858	1,738,141	19,134,525
	436,831,262	366,967,046	502,327,638	437,537,682	397,476,611	405,048,280	382,690,128	391,580,829	420,143,787	383,134,596	378,705,318	436,831,262	4,932,577,965
	343,885	102,770,388	124,678,911	111,623,263	103,564,404	104,720,512	103,024,669	100,437,419	106,523,087	104,873,830	94,770,109	96,018,047	1,264,438,485
	325,619	322,832	293,215	265,955	217,137	219,097	215,752	207,027	213,452	240,037	244,521	241,373	2,815,997
	83,380,205	62,067,593	73,238,438	63,288,932	52,950,940	53,241,254	46,186,845	47,392,208	47,892,176	55,224,886	58,198,185	53,176,533	695,518,201
	217,387	216,346	237,546	330,076	338,713	338,762	338,007	316,562	320,961	339,786	340,526	350,556	3,705,327
	50,773,595	49,373,232	49,373,232	49,373,232	49,373,232	49,373,232	48,332,569	50,014,485	50,014,485	52,516,994	52,516,994	52,516,994	643,362,614
	2,208,710	2,182,367	2,182,367	2,182,367	2,182,367	2,182,367	2,182,367	2,182,367	2,182,367	2,182,367	2,182,367	2,182,367	31,070,661
	682,939,538	583,184,665	693,854,701	593,854,701	513,601,656	513,601,656	513,601,656	534,638,016	634,573,532	634,573,532	586,619,884	576,485,022	7,535,897,265

SCHEDULE 15.—Collection items handled by Federal Reserve Bank of St. Louis and its branches during 1920.

Month	St. Louis Parent Bank		Louisville Branch		Memphis Branch		Little Rock Branch		Totals	
	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount
January.....	3,044	\$ 6,993,160.29	848	\$1,400,450.95	1,514	\$3,692,815.97	429	\$2,080,406.32	5,845	\$14,166,823.52
February.....	2,983	7,243,386.90	726	1,523,571.65	1,766	3,569,506.67	527	1,997,981.92	5,085	13,334,463.14
March.....	3,691	9,858,682.16	1,026	1,839,874.11	1,766	3,569,506.67	527	1,997,981.92	7,191	16,947,552.90
April.....	3,822	8,324,982.16	1,163	1,978,759.06	1,626	3,283,250.01	451	1,274,777.88	6,691	14,639,459.14
May.....	4,679	10,469,997.52	1,583	2,429,394.41	1,626	3,283,250.01	451	1,274,777.88	8,519	18,019,592.01
June.....	4,672	7,469,997.52	1,283	2,314,993.65	1,469	2,921,762.78	562	1,240,481.38	7,982	14,831,710.96
July.....	4,140	7,674,859.67	1,275	2,328,586.66	1,469	2,921,762.78	562	1,240,481.38	7,982	14,831,710.96
August.....	4,116	7,674,859.67	1,083	2,361,246.16	1,203	2,312,110.16	509	1,113,609.65	7,132	14,477,519.18
September.....	4,431	7,674,859.67	1,167	2,442,878.09	1,152	1,852,762.44	550	1,113,609.65	6,901	14,956,282.79
October.....	4,833	9,078,482.29	1,502	2,607,423.85	1,065	1,489,619.24	408	711,939.70	7,071	12,311,468.20
November.....	5,195	9,267,036.16	1,530	2,542,951.66	1,131	2,143,787.06	527	863,163.32	8,063	14,768,687.03
December.....	6,670	11,124,725.65	1,684	2,659,522.15	1,355	1,529,497.29	825	884,243.96	10,534	16,567,899.95
Totals.....	52,306	\$105,469,697.56	14,940	\$27,559,504.99	16,649	\$32,671,303.91	6,698	\$15,248,496.95	90,593	\$180,818,903.41

Total collected.....	81,674	167,612,216.77
Returned unpaid.....	8,919	\$13,286,686.64

SCHEDULE 16.—Coupons from United States securities handled by Federal Reserve Bank of St. Louis and its branches each month during 1920.

Month	St. Louis Parent Bank		Louisville Branch		Memphis Branch		Little Rock Branch		Totals	
	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount
January.....	306,993	\$1,130,884.89	59,564	\$288,107.82	39,836	\$177,885.23	18,842	\$54,773.93	494,235	\$1,651,600.77
February.....	134,358	2,340,036.90	40,714	97,738.57	18,353	65,582.20	7,861	22,745.98	201,186	559,103.15
March.....	444,134	1,766,449.96	106,323	453,850.45	47,353	158,339.41	34,079	87,139.40	681,889	2,445,115.42
April.....	664,777	2,488,694.31	176,670	833,890.61	62,911	246,927.76	32,713	81,514.82	986,871	3,411,921.41
May.....	408,501	1,688,066.32	130,025	510,399.19	44,321	186,063.46	22,033	55,933.35	568,380	2,359,362.13
June.....	513,746	2,928,641.56	110,651	733,112.54	45,106	232,231.99	32,114	133,557.12	691,687	4,043,662.13
July.....	721,049	3,089,390.96	182,638.47	1,432,112.33	71,962	1,432,112.33	13,110	48,708.48	1,008,623	4,585,232.43
August.....	723,702	3,089,390.96	182,638.47	1,432,112.33	71,962	1,432,112.33	13,110	48,708.48	1,008,623	4,585,232.43
September.....	526,771	1,929,820.78	59,293	305,552.04	23,222	108,538.64	11,258	20,511.72	719,093	2,411,633.41
October.....	566,571	2,229,171.88	180,866	995,282.42	50,970	229,809.89	26,029	91,711.16	925,419	3,543,411.53
November.....	369,651	1,632,951.71	80,574	434,292.20	32,976	130,691.04	16,119	56,531.43	559,419	2,312,411.53
December.....	552,896	3,332,994.49	121,111	854,037.60	50,963	264,337.45	26,530	145,335.92	760,539	4,547,215.76
Totals.....	4,509,416	\$19,849,809.57	1,091,801	\$5,935,621.47	460,702	\$1,962,744.84	271,061	\$858,686.29	6,332,980	\$28,696,861.87

**SCHEDULE 17.—Total debits and credits of Federal Reserve Bank of St. Louis through gold settlement fund in Washington for each week during 1920 and the balance to its credit on the dates shown.**

For week ending		Total debits (receipts)	Total credits (disbursements)	Credit balance of F. R. B., St. Louis
	Balance December 26, 1919....	\$13,373,782.78		
Jan.	2, 1920.....	118,987,540.70	\$115,686,266.38	\$16,675,057.10
	9.....	154,838,195.15	155,634,552.82	15,878,699.43
	16.....	168,893,062.20	162,418,280.07	22,358,481.56
	23.....	133,260,689.15	137,943,817.40	17,675,353.31
	30.....	187,213,596.02	134,635,547.19	20,273,402.14
Feb.	6.....	121,486,159.02	122,107,257.82	19,652,308.74
	13.....	104,224,580.55	102,811,264.33	21,065,619.96
	20.....	142,402,278.69	150,158,358.62	13,309,540.03
	27.....	115,613,063.51	114,667,458.81	14,255,144.73
March	5.....	156,623,037.35	161,711,541.21	9,166,640.87
	12.....	133,285,849.91	125,918,057.66	16,534,433.12
	19.....	142,999,312.18	149,138,217.95	10,395,527.35
	26.....	134,648,082.03	137,253,093.68	7,790,515.70
April	2.....	119,532,786.85	119,416,331.69	7,906,970.86
	9.....	133,806,577.63	133,927,317.30	7,786,231.19
	16.....	155,811,026.10	153,410,773.20	10,186,484.09
	23.....	137,279,035.33	137,032,390.12	10,433,129.30
	30.....	135,709,848.88	136,379,787.34	9,763,190.84
May	7.....	114,564,480.57	113,347,604.27	10,980,077.14
	14.....	124,240,231.46	122,011,687.69	13,208,610.91
	21.....	134,456,497.53	135,157,787.54	12,507,320.90
	28.....	118,374,663.16	121,928,467.93	8,953,516.13
June	4.....	108,430,461.95	105,849,905.11	11,534,072.97
	11.....	111,991,432.97	109,641,611.51	13,883,894.43
	18.....	130,435,837.58	132,228,746.98	12,090,985.03
	25.....	121,284,781.86	120,562,260.18	12,813,506.71
July	2.....	114,649,554.14	119,069,704.97	8,393,355.88
	9.....	97,075,024.60	96,517,504.61	8,950,875.87
	16.....	125,730,103.91	128,873,377.40	5,807,602.38
	23.....	130,245,048.25	123,576,774.07	12,475,876.59
	30.....	109,213,322.31	106,676,530.45	15,017,668.45
Aug.	6.....	106,853,510.54	110,149,338.50	11,721,340.49
	13.....	114,731,808.27	116,425,354.31	10,027,794.45
	20.....	137,985,204.35	134,453,185.69	13,554,813.11
	27.....	126,278,111.37	127,497,861.92	12,335,062.56
Sept.	3.....	129,860,630.26	133,541,300.01	8,654,392.81
	10.....	99,794,115.93	99,181,728.62	9,266,780.12
	17.....	152,406,769.12	153,112,771.43	8,560,777.81
	24.....	136,011,034.54	136,901,423.97	7,670,388.38
Oct.	1.....	118,386,789.23	119,312,062.56	6,745,115.05
	8.....	129,347,984.28	122,720,906.01	13,372,193.32
	15.....	126,328,202.37	132,165,457.99	7,534,937.70
	22.....	161,147,568.71	155,458,863.61	13,223,612.80
	29.....	125,654,652.20	126,760,112.01	12,118,182.99
Nov.	5.....	121,289,817.36	117,868,246.27	15,539,754.08
	12.....	115,859,874.02	118,075,301.43	13,224,326.67
	19.....	125,122,354.25	125,861,480.57	12,585,200.35
	26.....	104,807,636.26	102,363,990.97	15,028,845.64
Dec.	3.....	113,810,591.94	113,415,343.88	15,424,093.70
	10.....	108,985,074.86	108,487,584.32	15,921,584.24
	17.....	115,128,526.13	110,461,231.22	20,588,879.15
	23.....	88,457,705.15	90,360,153.21	18,686,431.09
	30.....	94,045,994.94	90,879,721.65	21,852,704.38
Totals.....		\$6,642,978,900.83	\$6,621,126,196.45	.....

**SCHEDULE 18.—National banks granted fiduciary powers during 1920, under section II (k) of the Federal Reserve Act, as amended September 26, 1918.**

First National Bank.....	Lake Village, Ark.
First National Bank.....	Menlo, Ark.
Calro National Bank.....	Calro, Ill.
St. Clair National Bank.....	Belleville, Ill.
First National Bank.....	Marion, Ill.
National Bank of Orleans.....	Orleans, Ind.
First National Bank.....	Sullivan, Ind.
First National Bank.....	Louisville, Ky.
First National Bank.....	Jefferson City, Mo.

**National banks granted additional fiduciary powers under the amendment of September 26, 1918, to Section II (k) of the Federal Reserve Act.**

First National Bank.....	Pittsfield, Ill.
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**SCHEDULE 19.--Banks admitted to membership in Federal Reserve Bank of St. Louis  
and banks surrendering memberships during 1920.**

**NEW NATIONAL BANK MEMBERS.**

Name	Location	Paid-in capital when admitted	Surplus when admitted
First National Bank.....	Blytheville, Ark.....	\$100,000	\$10,000
Farmers' National Bank.....	Clarksville, Ark.....	50,000	5,000
Farmers & Miners Nat. Bank.....	Hartford, Ark.....	25,000	.....
First National Bank.....	Hartford, Ark.....	32,500	6,000
Planters' National Bank.....	Hughes, Ark.....	30,000	3,000
First National Bank.....	Lincoln, Ark.....	25,000	2,500
First National Bank.....	Paris, Ark.....	80,000	20,000
First National Bank.....	Pocahontas, Ark.....	50,000	5,000
First National Bank.....	East St. Louis, Ill.....	400,000	80,000
First National Bank.....	Livingston, Ill.....	25,000	3,000
First National Bank.....	Okawville, Ill.....	50,000	10,000
Old Exchange National Bank.....	Okawville, Ill.....	50,000	10,000
First National Bank.....	Woodlawn, Ill.....	25,000	.....
Liberty National Bank.....	Bowling Green, Ky.....	125,000	.....
First National Bank.....	Dawson Springs, Ky.....	15,291	70

**STATE BANKS AND TRUST COMPANIES ADMITTED TO  
MEMBERSHIP DURING 1920.**

Name	Location	Capital and surplus when admitted	Total resources when admitted
Monroe County Bank.....	Brinkley, Ark.....	\$55,000	\$234,857
Peoples State Bank.....	Cabot, Ark.....	27,500	27,500
Arkansas Valley Bank.....	Fort Smith, Ark.....	120,000	1,565,132
Crittenden County Bank.....	Marion, Ark.....	350,000	2,900,453
American Bank & Trust Co.....	Paris, Ark.....	53,700	352,356
Bank of Russellville.....	Russellville, Ark.....	112,750	530,577
Saline Trust & Savings Bank.....	Harrisburg, Ill.....	150,000	846,887
First State Bank.....	Mt. Carmel, Ill.....	116,500	547,096
Mt. Olive State Bank.....	Mt. Olive, Ill.....	55,000	294,126
Bolivar County Bank.....	Rosedale, Miss.....	150,000	523,975
Commercial Bank of Bertrand..	Bertrand, Mo.....	30,800	110,441
Farmers & Traders Bank.....	Iberia, Mo.....	35,000	269,761
Cass Avenue Bank.....	St. Louis, Mo.....	250,000	3,363,836
Grand Avenue Bank.....	St. Louis, Mo.....	250,000	2,626,734
Jefferson-Gravois Bank.....	St. Louis, Mo.....	270,000	1,656,369
Manchester Bank.....	St. Louis, Mo.....	350,000	3,859,055
Mound City Trust Co.....	St. Louis, Mo.....	225,000	604,604
South Side Trust Co.....	St. Louis, Mo.....	250,000	2,239,751
Tower Grove Bank.....	St. Louis, Mo.....	250,000	3,138,206
West St. Louis Trust Co.....	St. Louis, Mo.....	220,000	1,622,717
Gravois Bank.....	St. Louis County, Mo.....	30,000	451,883
Bank of Alamo.....	Alamo, Tenn.....	25,000	344,070
Bank of Crockett.....	Bells, Tenn.....	25,000	346,513
Peoples Sav. Bank & Trust Co..	Halls, Tenn.....	35,000	214,135

**BANKS SURRENDERING MEMBERSHIPS DURING 1920.**

Name	Location	Disposition
First National Bank.....	Judsonia, Ark.....	Receiver appointed
Illinois State Bank.....	East St. Louis, Ill.....	Converted into First National Bank
First National Bank.....	Corydon, Ind.....	Merged with Corydon National Bank
First National Bank.....	Owensville, Ind.....	Charter expired by limitation
LaRue National Bank.....	Hodgenville, Ky.....	Consolidated with Farmers' Nat. Bank
Aberdeen National Bank.....	Aberdeen, Miss.....	Absorbed by the Com. Bank & T. Co.
First National Bank.....	Okolona, Miss.....	Absorbed by a State Bank
City National Bank.....	Martin, Tenn.....	Converted into City State Bank

SCHEDULE 20.—*Tax certificates of indebtedness offered during 1920 and subscriptions to each issue handled by Federal Reserve Bank of St. Louis.*

IN ANTICIPATION OF TAXES DUE IN 1920.

Date of issue	Maturity	Rate	Total offering	Quota for district	Subscriptions
January 2, 1920....	December 15, 1920..	4% <sup>7</sup> / <sub>8</sub>	\$750,000,000	\$30,000,000	\$23,234,000
February 2, 1920....	March 15, 1920.....	4% <sup>1</sup> / <sub>2</sub>	300,000,000	12,000,000	9,421,500
Totals.....			\$1,050,000,000	\$42,000,000	\$32,655,500

IN ANTICIPATION OF TAXES DUE IN 1921.

Date of issue	Maturity	Rate	Total offering	Quota for district	Subscriptions
March 15, 1920.....	March 15, 1921.....	4% <sup>7</sup> / <sub>8</sub>	\$400,000,000	\$16,000,000	\$6,806,500
June 15, 1920.....	June 15, 1921.....	6% <sup>7</sup> / <sub>8</sub>	400,000,000	*16,000,000	9,793,500
July 15, 1920.....	March 15, 1921.....	5% <sup>3</sup> / <sub>4</sub>	200,000,000	*8,000,000	2,300,000
*September 15, 1920..	March 15, 1921.....	5% <sup>3</sup> / <sub>4</sub>			{ 1,046,500
September 15, 1920..	September 15, 1921..	6% <sup>7</sup> / <sub>8</sub>	400,000,000	16,000,000	{ 9,900,500
October 15, 1920....	March 15, 1921.....	5% <sup>3</sup> / <sub>4</sub>	100,000,000	4,000,000	{ 4,621,000
*December 15, 1920..	June 15, 1921.....	5% <sup>3</sup> / <sub>4</sub>			{ 6,153,000
December 15, 1920..	December 15, 1921..	6% <sup>7</sup> / <sub>8</sub>	500,000,000	20,000,000	{ 14,703,500
Totals.....			\$2,000,000,000	\$80,000,000	\$55,324,000

\*Combined issues.

SCHEDULE 21.—*Loan certificates of indebtedness offered during 1920 and subscriptions to each issue handled by Federal Reserve Bank of St. Louis.*

Date of issue	Maturity	Rate	Total offering	Quota for district	Subscriptions
April 1, 1920.....	July 1, 1920.....	4% <sup>7</sup> / <sub>8</sub>	\$200,000,000	\$8,000,000	\$4,277,500
April 15, 1920.....	October 15, 1920....	5% <sup>1</sup> / <sub>4</sub>			{ 4,115,500
April 15, 1920.....	July 15, 1920.....	5% <sup>1</sup> / <sub>4</sub>	250,000,000	10,000,000	{ 3,135,500
May 17, 1920.....	November 15, 1920..	5% <sup>1</sup> / <sub>4</sub>	100,000,000	4,000,000	4,237,000
June 15, 1920.....	January 3, 1921.....	5% <sup>3</sup> / <sub>4</sub>	*400,000,000	*16,000,000	5,625,500
July 15, 1920.....	January 15, 1921....	5% <sup>3</sup> / <sub>4</sub>	*200,000,000	*8,000,000	3,702,500
August 16, 1920....	August 16, 1921....	6% <sup>7</sup> / <sub>8</sub>	150,000,000	6,000,000	6,285,500
November 15, 1920..	May 16, 1921.....	5% <sup>3</sup> / <sub>4</sub>	200,000,000	8,000,000	9,576,500
Totals.....			\$1,500,000,000	\$60,000,000	\$40,955,000

SCHEDULE 22.—*Certificates of indebtedness redeemed by Federal Reserve Bank of St. Louis and its branches during 1920.*

	Cash Redemptions	Exchanged for other issues	Used in payment of taxes	Total
St. Louis parent bank.....	\$174,954,500	\$11,588,000	\$69,500	\$186,612,000
Louisville branch.....	18,623,500		10,000	18,633,500
Memphis branch.....	4,454,000			4,454,000
Little Rock branch.....	2,217,000		1,000	2,218,000
Totals.....	\$200,249,000	\$11,588,000	80,500	\$211,917,500

UNIVERSITY OF ILLINOIS LIBRARY

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**SCHEDULE 23.—Sales of Thrift Stamps, War Savings Stamps and Treasury Savings Certificates through Federal Reserve Bank of St. Louis during 1920.**

THRIFT STAMPS			WAR SAVINGS STAMPS			TREASURY SAVINGS CERTIFICATES				
Number	Value	Number	Maturity value	\$100 Number	Maturity value	\$1,000 Number	Maturity value	\$1,000 Number	Maturity value	
January.....	\$ 594.25	5,208	\$26,040	1,723	\$172,300	281	\$281,000			
February.....	222.00	1,536	7,680	969	96,900	212	212,000			
March.....	413.50	1,824	4,120	651	65,100	105	105,000			
April.....	461.75	1,542	7,710	555	55,500	88	88,000			
May.....	126.75	480	2,400	350	35,000	44	44,000			
June.....	105.50	639	2,695	401	40,100	33	33,000			
July.....	253.75	345	1,725	119	11,900	13	13,000			
August.....	42.75	176	880	91	9,100	15	15,000			
September.....	84.00	179	895	158	15,800	9	9,000			
October.....	212.00	503	2,515	109	10,900	8	8,000			
November.....	278.75	102	510	93	9,300	6	6,000			
December.....	209.00	107	535	185	18,500	7	7,000			
Totals.....	3,004.00	11,541	57,705	5,404	540,400	821	821,000			

**SCHEDULE 24.—Redemptions of Thrift Stamps, War Savings Stamps and Treasury Savings Certificates through Federal Reserve Bank of St. Louis during 1920.**

THRIFT STAMPS			WAR SAVINGS STAMPS			TREASURY SAVINGS CERTIFICATES				CASH REIMBURSEMENTS ON FILLED THRIFT CARDS		
Number	Value	Number	Maturity value	Number \$100	Maturity value	Number \$1,000	Maturity value	Number	Amount			
January.....	14,922	\$3,730.50	14,499	\$72,495	3,421	\$342,100	218	\$218,000	326	\$1,304		
February.....	1,280	320.00	2,053	10,265	1,713	171,300	106	106,000	70	280		
March.....	1,944	486.00	1,175	5,875	1,665	166,500	132	132,000	60	240		
April.....	.....	.....	17	85	179	17,900	36	36,000	26	104		
May.....	107	26.75	182	910	176	17,600	28	28,000	100	400		
June.....	.....	.....	24	120	93	9,300	31	31,000	66	264		
July.....	.....	.....	.....	.....	20	2,000	8	8,000	33	132		
August.....	.....	.....	.....	.....	50	5,000	37	37,000	22	88		
September.....	.....	.....	.....	.....	36	3,600	3	3,000	0	0		
October.....	648	162.00	.....	.....	17	1,700	21	21,000	9	36		
November.....	1,355	338.75	88	440	56	5,600	35	35,000	21	84		
December.....	.....	.....	.....	.....	97	9,700	2	2,000	128	512		
Totals.....	20,256	\$5,064.00	18,038	\$90,190	6,023	\$602,300	535	\$535,000	570	\$2,450		



**SCHEDULE 25.—Exchanges and Conversions of Liberty Bonds and Victory Notes handled by Federal Reserve Bank of St. Louis  
and its branches during 1920.**

	Temporary bonds exchanged for permanent bonds				Coupon bonds exchanged for registered bonds				Registered bonds exchanged for coupon bonds					
	No. pieces		Par value		Percent exchanged to total sold in district		No. pieces		Par value		No. pieces		Par value	
					No. pieces	Par value								
First 3½% Liberty bonds.....	.....	471	\$ 53,300	.....	.....	.....	451	\$ 295,200	.....	18	\$ 32,400	.....	.....	.....
First Temp. 4% Liberty bonds.....	.....	63,453	15,829,750	.....	.....	.....	151	23,950	.....	2	.....	.....	.....	.....
First Perm. 4½% Liberty bonds.....	.....	.....	.....	77%	.....	.....	3,563	979,500	.....	.....	.....	.....	.....	.....
First 2nd Conv. 4½% Liberty bonds.....	.....	21	1,900	.....	.....	.....	468	130,950	.....	118	76,900	.....	.....	.....
Second Temp. 4% Liberty bonds.....	.....	1,951	245,950	.....	.....	.....	598	72,700	.....	.....	.....	.....	.....	.....
Second Temp. 4½% Liberty bonds.....	.....	270,568	82,005,100	.....	84%	.....	3,300	3,300	.....	11	3,150	.....	.....	.....
Second Temp. 4¾% Liberty bonds.....	.....	.....	.....	.....	.....	.....	16,816	4,953,250	.....	.....	.....	.....	.....	.....
Third Temp. 4¾% Liberty bonds.....	.....	816,369	114,816,700	.....	62%	.....	3,205	1,077,400	.....	717	344,900	.....	.....	.....
Third Temp. 4¾% Liberty bonds.....	.....	.....	.....	.....	.....	.....	62,628	9,097,400	.....	.....	.....	.....	.....	.....
Fourth Temp. 4¾% Liberty bonds.....	.....	203,450	34,289,250	.....	15%*	.....	15,018	3,333,100	.....	1,932	522,750	.....	.....	.....
Fourth Perm. 4¾% Liberty bonds.....	.....	.....	.....	.....	.....	.....	76,541	16,681,950	.....	.....	.....	.....	.....	.....
Victory notes 4¾%.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	3,964	1,063,200	.....	.....	.....
Victory notes 4%.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	1,225	515,150	.....	.....	.....
Victory notes 3¾%.....	.....	.....	.....	.....	.....	.....	31,353	8,052,200	.....	10	10,000	.....	.....	.....
Totals.....	1,356,283	247,241,950	*Permanent bonds not yet delivered			210,833	44,765,500				7,997	2,568,600		

	Denominal exchanges				Registered bonds transferred				Conversions					
	No. pieces		Par value		No. pieces		Par value		Converted into		No. pieces		Par value	
First 3½% Liberty bonds.....	1,871	\$ 165,550	15	\$ 46,700	.....	.....	.....	.....	4¼% bonds	.....	.....	.....	.....	.....
First Temp. 4% Liberty bonds.....	765	54,000	.....	.....	.....	.....	.....	.....	4¼% bonds	.....	.....	.....	.....	.....
First Perm. 4¾% Liberty bonds.....	1,090	104,150	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
First 2nd Conv. 4¾% Liberty bonds.....	1,155	238,000	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Second Temp. 4% Liberty bonds.....	2,389	159,400	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Second Temp. 4½% Liberty bonds.....	5,614	599,350	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Second Temp. 4¾% Liberty bonds.....	6,113	1,374,350	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Third Temp. 4¾% Liberty bonds.....	14,413	1,642,950	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Fourth Temp. 4¾% Liberty bonds.....	10,006	1,881,650	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Fourth Perm. 4¾% Liberty bonds.....	52,755	5,547,050	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Victory notes 4¾%.....	39,122	4,472,400	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Victory notes 4%.....	284	291,550	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Totals.....	135,691	15,943,850	9,699	3,331,550	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....

SCHEDULE 26.—Changes in principal resource and liability items of reporting member banks in St. Louis, Louisville, Memphis,  
Little Rock and Evansville during the year 1920.

	Jan. 2	Feb. 6	March 5	April 2	May 7	June 4	July 2
	<sup>35</sup>	<sup>35</sup>	<sup>35</sup>	<sup>35</sup>	<sup>35</sup>	<sup>35</sup>	<sup>35</sup>
Number of banks reporting.....	\$ 17,178,000	\$ 17,177,000	\$ 17,177,000	\$ 17,176,000	\$ 16,925,000	\$ 16,925,000	\$ 16,924,000
U. S. bonds to secure circulation.....	15,631,000	14,457,000	14,126,000	14,120,000	12,949,000	12,435,000	12,763,000
Other U. S. bonds, including Liberty bonds.....	5,099,000	4,287,000	3,655,000	3,706,000	3,034,000	2,706,000	2,816,000
U. S. Victory notes.....	24,225,000	21,407,000	18,372,000	15,638,000	13,579,000	10,014,000	4,042,000
U. S. certificates of indebtedness.....							
Total U. S. securities owned.....	62,133,000	57,368,000	53,330,000	48,040,000	46,487,000	42,090,000	36,846,000
Loans and Investments, including bills rediscounted with Federal Reserve Bank—							
Loans secured by U. S. war obligations.....	37,906,000	38,100,000	38,809,000	41,851,000	39,030,000	39,192,000	37,112,000
Loans secured by stocks and bonds other than U. S. war securities.....	160,974,000	160,024,000	159,868,000	158,425,000	156,432,000	129,633,000	127,935,000
All other loans and investments.....	345,992,000	371,519,000	385,344,000	409,519,000	407,512,000	415,707,000	409,808,000
Total loans and investments, including rediscounts with Federal Reserve Bank.....	607,005,000	627,011,000	637,351,000	657,835,000	614,492,000	626,532,000	611,401,000
Reserve with Federal Reserve Bank.....	49,555,000	44,400,000	43,282,000	45,538,000	43,945,000	40,432,000	40,840,000
Cash in vault.....	13,715,000	10,242,000	10,408,000	10,135,000	10,433,000	10,511,000	9,811,000
Net demand deposits on which reserve is computed.....	375,358,000	365,537,000	365,371,000	357,143,000	333,930,000	307,947,000	312,992,000
Time deposits.....	113,559,000	118,453,000	119,951,000	119,682,000	123,748,000	124,138,000	126,446,000
Government deposits.....	23,496,000	5,456,000	1,036,000	2,824,000	3,214,000	1,924,000	3,031,000

	August 6	September 3	October 1	November 5	December 3	December 31
	<sup>35</sup>	<sup>35</sup>	<sup>35</sup>	<sup>35</sup>	<sup>35</sup>	<sup>35</sup>
Number of banks reporting.....	\$ 16,924,000	\$ 16,924,000	\$ 16,923,000	\$ 16,422,000	\$ 16,222,000	\$ 16,222,000
U. S. bonds to secure circulation.....	13,110,000	13,270,000	13,110,000	13,353,000	13,810,000	14,454,000
Other U. S. bonds, including Liberty bonds.....	2,649,000	2,683,000	2,664,000	2,720,000	2,723,000	2,723,000
U. S. Victory notes.....	5,126,000	5,318,000	3,335,000	3,852,000	3,652,000	4,150,000
U. S. certificates of indebtedness.....						
Total U. S. securities owned.....	37,809,000	38,195,000	36,632,000	36,348,000	36,407,000	37,499,000
Loans and Investments, including bills rediscounted with Federal Reserve Bank—						
Loans secured by U. S. war obligations.....	33,593,000	31,875,000	32,204,000	31,743,000	32,034,000	29,840,000
Loans secured by stocks and bonds other than U. S. war securities.....	126,842,000	125,579,000	126,580,000	127,651,000	127,651,000	128,445,000
All other loans and investments.....	411,289,000	412,011,000	411,489,000	408,439,000	384,362,000	384,362,000
Total loans and investments, including rediscounts with Federal Reserve Bank.....	609,332,000	607,650,000	606,905,000	604,181,000	580,848,000	580,848,000
Reserve with Federal Reserve Bank.....	36,578,000	30,760,000	38,791,000	38,231,000	41,378,000	40,237,000
Cash in vault.....	9,572,000	9,572,000	9,389,000	9,588,000	9,315,000	9,315,000
Net demand deposits on which reserve is computed.....	318,020,000	315,331,000	307,969,000	300,584,000	303,560,000	310,887,000
Time deposits.....	124,764,000	124,916,000	126,308,000	130,233,000	131,155,000	130,937,000
Government deposits.....	1,750,000	1,575,000	6,049,000	1,139,000	438,000	5,847,000

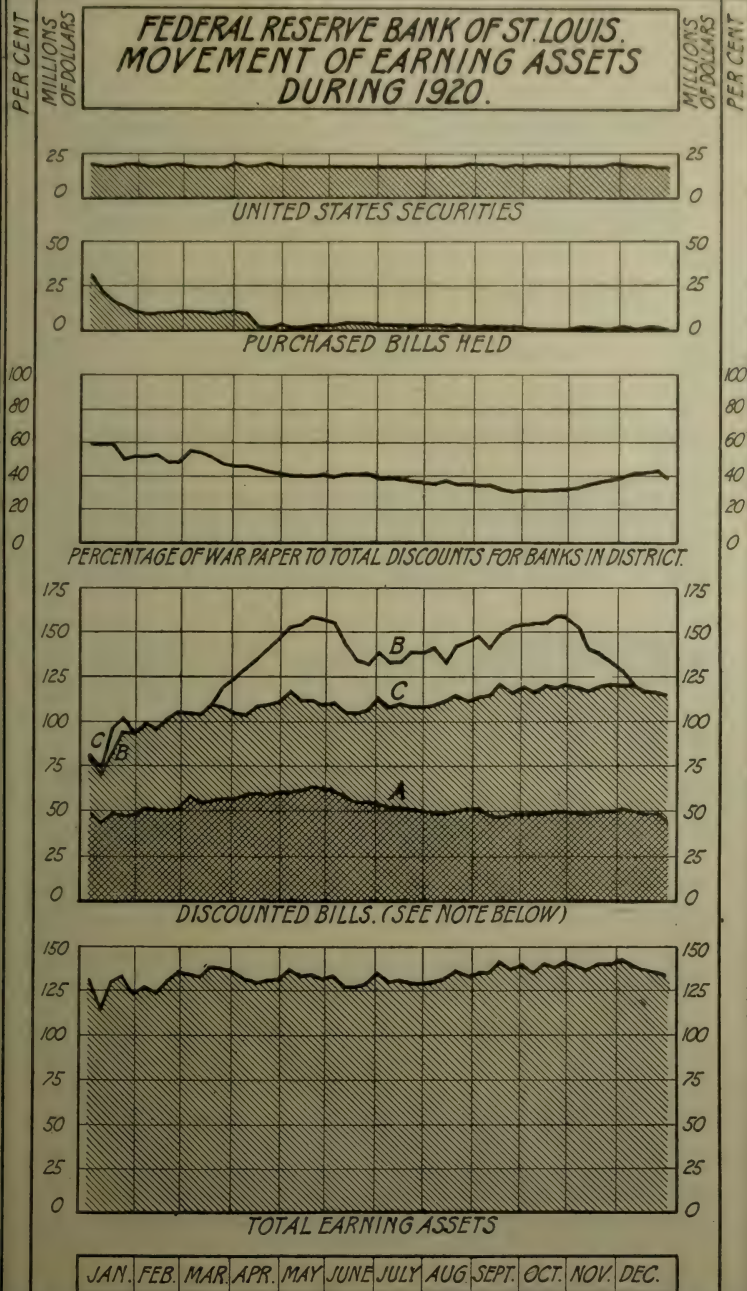
SCHEDULE 27.—Customary discount and interest rates charged customers by banks in St. Louis, Louisville and Little Rock during the 30-day periods ending the fifteenth of each month in 1930.

	Prime commercial paper				Loans to other banks	Bankers' acceptances 60 to 90 days		Collateral loans, secured by stock exchange or other current collateral			Cattle loans	Commodity paper secured by warehouse receipts, etc.	Loans secured by Liberty bonds and certif. of ind.
	Customers' paper		Purchased in open market					Demand	3 months	3 to 6 months			
	30 to 90 days	4 to 6 months	30 to 90 days	4 to 6 months									
St. Louis													
January.....	6	6	6	6	6	4%	5 1/4	6 1/4	6	6 1/2	6	6	6
February.....	6	6 1/2	6	6 1/2	6 1/2	5 1/4	5 3/4	6 1/2	6 1/2	6 1/2	6	6 1/2	6
March.....	6 1/2	6 1/2	6	6 1/2	6 1/2	6	6 1/2	6 1/2	6 1/2	6 1/2	6 1/2	6 1/2	6 1/2
April.....	6 1/2	6 1/2	6	6 1/2	6 1/2	6	6 1/2	6 1/2	6 1/2	6 1/2	6 1/2	6 1/2	6 1/2
May.....	7	7	7	7	6 1/4	6	6 1/2	7	7	7	7	7	7
June.....	7	7	7	7	6 1/4	6	6 1/2	7	7	7	7	7	7
July.....	7	7	7	7	6 1/4	6	6 1/2	7 1/2	7 1/2	7 1/2	7 1/2	7 1/2	7 1/2
August.....	7	7	7	7	6 3/4	7	6 1/2	7	7	7	7	7	7
September.....	7	7	7	7	6 3/4	.....	6 1/2	7	7	7	7 1/2	7 1/2	7 1/2
October.....	7	7	7	7	7	.....	6 1/2	7	7	7	7 1/2	7 1/2	7 1/2
November.....	7	7	7	7	7	7	6 1/2	7	7	7	7 1/2	7 1/2	7 1/2
December.....	7	7	7	7	7	7	6 1/2	7	7	7	7	7	7
Louisville													
January.....	6	6	6	6	5	5%	.....	6	6	6	6	6	6
February.....	6	6	6	6	6	5 1/4	.....	6	6	6	6	6	6
March.....	6	6	6	6	6	.....	6	6	6	6	6	6	6
April.....	6	6	6	6	6	6	6	6	6	6	6	6	6
May.....	6	6	6	6	6	6 1/4	6 1/4	6	6	6	6	6	6
June.....	6	6	6	6	6	6 1/4	6 1/4	6	6	6	6	6	6
July.....	6	6	6	6	6	6 1/4	6 1/4	6	6	6	6	6	6
August.....	6	6	6	6	6	6 3/4	.....	6	6	6	6	6	6
September.....	6	6	6	6	6	6 3/4	.....	6 1/4	6	6	6	6	6
October.....	6	6	6	6	6	.....	6 1/4	6 1/4	6	6	6	6	6
November.....	6	6	6	6	6	.....	6 1/4	6 1/4	6	6	6	6	6
December.....	6	6	6	6	6	.....	6 1/4	6	6	6	6	6	6
Little Rock													
January.....	6	6	6	6 1/2	6	.....	.....	7	7	7	8	7	6 1/2
February.....	6 1/2	6 1/2	6 1/2	6 1/2	6	.....	.....	7	7	7	.....	6 1/2	6 1/2
March.....	6 1/2	6 1/2	6 1/2	6 1/2	6	.....	.....	7	7	7	.....	7	7
April.....	7	7	7	7	6	.....	.....	7	7	7	.....	7	7
May.....	7	7	7	7	6	.....	.....	7	7	7	.....	7	7
June.....	7	7	7	7	7	.....	.....	7	7	7	.....	7	7
July.....	7	7	7	7	7	.....	.....	8	8	8	.....	7 1/2	7 1/2
August.....	7 1/2	7 1/2	7	7	7	.....	.....	8	8	8	.....	8	8
September.....	8	8	7	7	7	.....	.....	8	8	8	.....	8	8
October.....	8	8	7	7	7	.....	.....	8	8	8	.....	8	8
November.....	8	8	7	7	7	.....	.....	8	8	8	.....	8	8
December.....	8	8	7	7	7	.....	.....	8	8	8	.....	8	8



CHART A

**FEDERAL RESERVE BANK OF ST. LOUIS.  
MOVEMENT OF EARNING ASSETS  
DURING 1920.**



*A: Paper secured by Government War Obligations discounted for Banks in District.  
B: Total Paper discounted for Banks in District. C: Total Discounted Paper held.  
Space between lines B and C represents - where above line B - Paper discounted for,  
and - where below line B - Paper rediscounted with, other Federal Reserve Banks.*

**BILLS DISCOUNTED AND BOUGHT**  
**BY**  
**THE FEDERAL RESERVE BANK OF ST. LOUIS**  
**AND ITS BRANCHES**

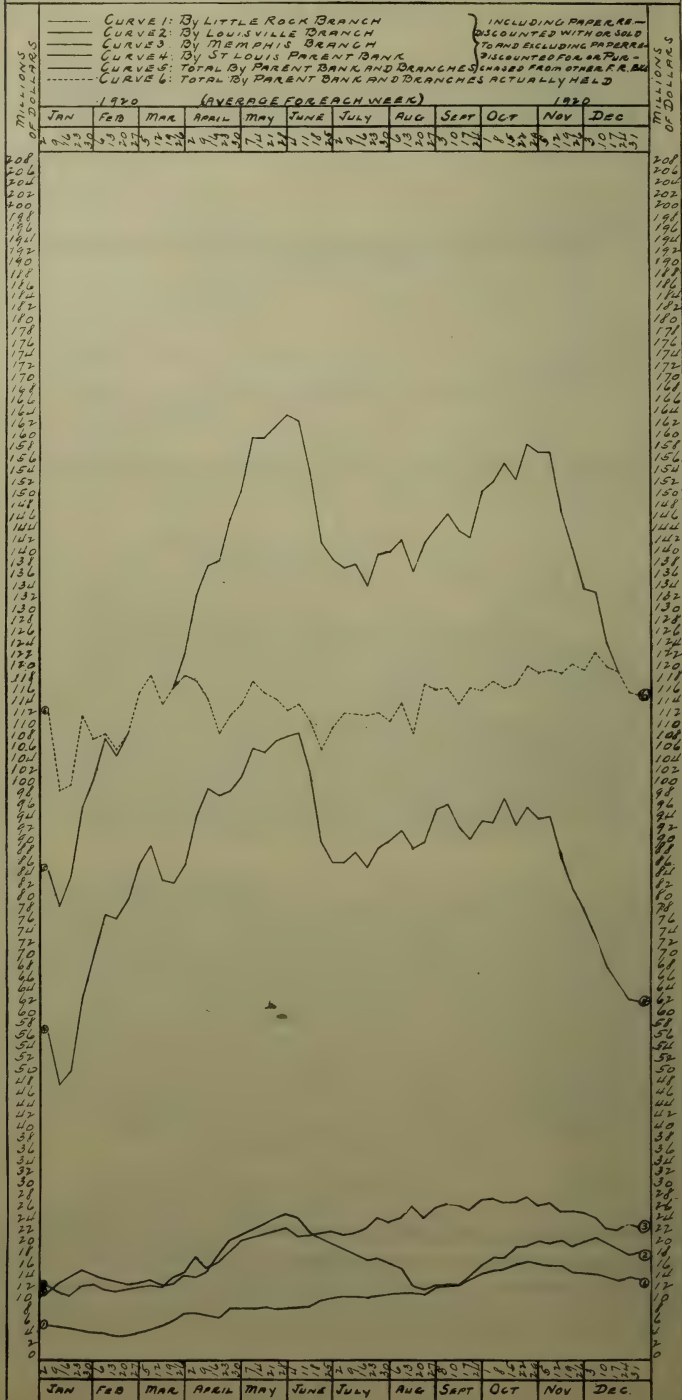
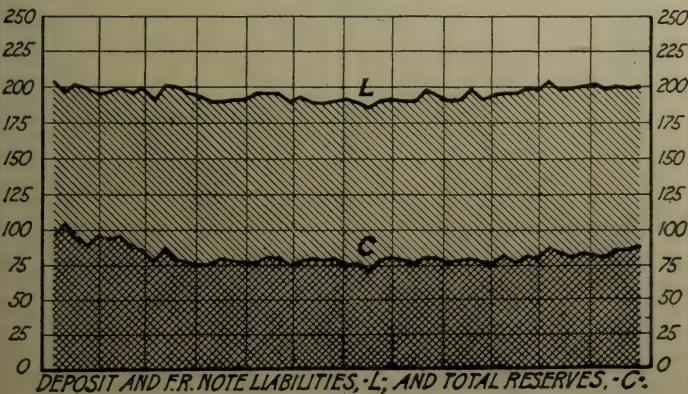
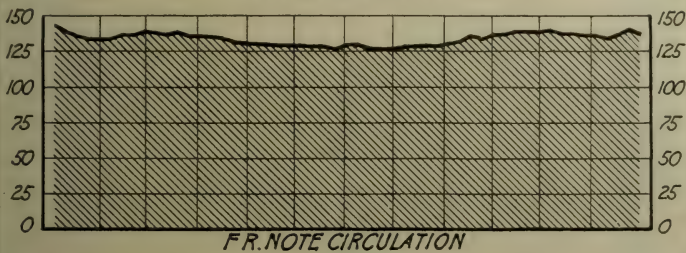
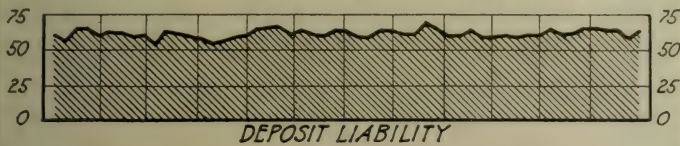
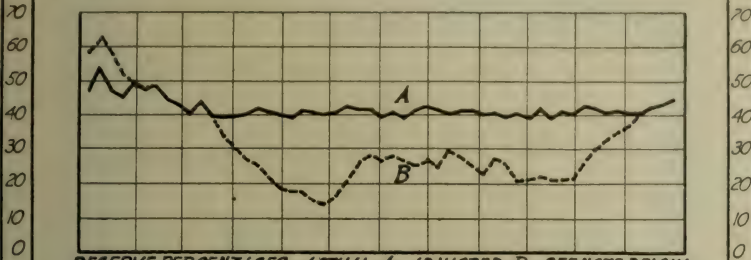


CHART C

**FEDERAL RESERVE BANK OF ST. LOUIS  
NET DEPOSIT LIABILITY,  
F.R. NOTE CIRCULATION,  
CASH RESERVES, AND RESERVE RATIOS, 1920.**



JAN. FEB. MAR. APR. MAY JUNE JULY AUG. SEPT. OCT. NOV. DEC.

*Adjusted percentages are calculated after increasing or reducing reserves held - by the amount of accommodation extended to or received from other Federal Reserve Banks.*



DAILY AVERAGE NUMBER OF CLEARING ITEMS HANDLED BY  
FEDERAL RESERVE BANK OF ST. LOUIS AND ITS BRANCHES.  
(NOT INCLUDING COLLECTION ITEMS AND GOVERNMENT COUPONS)

1919												1920											
Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
CURVE 1: DAILY AVERAGE FOR MEMPHIS BRANCH												CURVE 1: DAILY AVERAGE FOR MEMPHIS BRANCH											
CURVE 2: DAILY AVERAGE FOR LITTLE ROCK BRANCH												CURVE 2: DAILY AVERAGE FOR LITTLE ROCK BRANCH											
CURVE 3: DAILY AVERAGE FOR LOUISVILLE BRANCH												CURVE 3: DAILY AVERAGE FOR LOUISVILLE BRANCH											
CURVE 4: DAILY AVERAGE FOR PARANT BANK												CURVE 4: DAILY AVERAGE FOR PARANT BANK											
CURVE 5: AVERAGE NUMBER OF ITEMS HANDLED DAILY INCLUDING BRANCHES												CURVE 5: AVERAGE NUMBER OF ITEMS HANDLED DAILY INCLUDING BRANCHES											

# CHART E



### CHART F

### DEBITS TO INDIVIDUAL ACCOUNTS

TOTAL DEBITS TO INDIVIDUAL ACCOUNTS IN ST LOUIS, MEMPHIS,  
LOUISVILLE, LITTLE ROCK, AND EVANSVILLE.

1920

(FOR EACH WEEK ENDING WEDNESDAY.)





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SEVENTH ANNUAL REPORT  
OF THE  
FEDERAL RESERVE BANK  
OF ST. LOUIS

FOR THE YEAR ENDED DECEMBER 31, 1921





RECEIVED  
FEDERAL RESERVE BANK  
MAR 21 1922

## LETTER OF TRANSMITTAL

---

FEDERAL RESERVE BANK,  
St. Louis, Mo., March 18, 1922.

SIR: I have the honor to transmit herewith the seventh annual report of the Federal Reserve Bank of St. Louis, covering the year ended December 31, 1921.

Respectfully,

WM. McC. MARTIN,  
Chairman and Federal Reserve Agent.

HON. W. P. G. HARDING,  
Governor, Federal Reserve Board,  
Washington, D. C.

332.1

7317

1921

# DIRECTORS AND OFFICERS OF FEDERAL RESERVE BANK OF ST. LOUIS FOR 1922

## DIRECTORS

### CLASS A

JOHN G. LONSDALE, St. Louis, Mo.  
J. C. UTTERBACK, Paducah, Ky.  
SAM. A. ZIEGLER, Albion, Ill.

### CLASS B

LE ROY PERCY, Greenville, Miss.  
W. B. PLUNKETT, Little Rock, Ark.  
ROLLA WELLS, St. Louis, Mo.

### CLASS C

WM. McC. MARTIN, St. Louis, Mo.  
JOHN W. BOEHNE, Evansville, Ind.  
C. P. J. MOONEY, Memphis, Tenn.

## MEMBER FEDERAL ADVISORY COUNCIL

FRANK O. WATTS, St. Louis, Mo.

## OFFICERS

WM. McC. MARTIN,  
Chairman of the Board and Federal  
Reserve Agent.  
JOHN W. BOEHNE,  
Deputy Chairman.  
C. M. STEWART,  
Asst. Federal Reserve Agent.  
E. J. NOVY,  
General Auditor.  
L. H. BAILEY,  
H. L. TRAFTON,  
A. E. DEBRECHT,  
E. I. NOWOTNY,  
L. A. MOORE,  
C. E. MARTIN,  
L. T. WALKER,  
Assistant Auditors.

D. C. BIGGS,  
Governor.  
OLIN M. ATTEBERY,  
Deputy Governor.  
J. G. McCONKEY,  
Counsel and Secretary.  
J. W. WHITE,  
Cashier.  
A. H. HAILL,  
J. W. RINKLEFF,  
W. H. GLASGOW,  
S. F. GILMORE,  
E. C. ADAMS,  
F. N. HALL,  
Assistant Cashiers.

## LOUISVILLE BRANCH

### OFFICERS

W. P. KINCHELOE,  
Manager.  
JOHN T. MOORE,  
Cashier.  
EARL R. MUIR,  
Assistant Cashier.

### DIRECTORS

GEO. W. NORTON  
W. C. MONTGOMERY  
W. P. KINCHELOE  
F. M. SACKETT  
EMBRY L. SWEARINGEN

## MEMPHIS BRANCH

### OFFICERS

JNO. J. HEFLIN,  
Manager.  
A. J. WILLIAMS,  
Cashier.  
V. S. FUQUA,  
Assistant Cashier.

### DIRECTORS

R. B. SNOWDEN  
J. D. McDOWELL  
JNO. J. HEFLIN  
T. K. RIDDICK  
S. E. RAGLAND

## LITTLE ROCK BRANCH

### OFFICERS

A. F. BAILEY,  
Manager.  
M. H. LONG,  
Cashier.  
F. A. COE,  
Assistant Cashier.

### DIRECTORS

C. A. PRATT  
J. E. ENGLAND, Jr.  
A. F. BAILEY  
MOORHEAD WRIGHT  
GEO. W. ROGERS





## GENERAL BUSINESS CONDITIONS DURING 1921

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### VOLUME OF BUSINESS

The closing months of 1920 were marked by a drastic readjustment which embraced all the great industries of the United States. This movement, which was the inevitable sequel of the post-war period, continued with varying intensity and constituted the impelling influence in business throughout 1921. The latter year was the first in which business as a whole suffered damaging effects of the world war, these materializing in the form of enormously reduced volume, collapsing commodity markets, unemployment, curtailed production and consumption, record commercial mortality, depression in the agricultural industry and other similar manifestations. Like conditions, only more acute, obtained in foreign countries and were reflected in restricted export outlet for American products, demoralized foreign exchange markets and disrupted agencies of distribution.

Fundamentally this country entered and progressed through the year in strong position. The unfavorable forces affecting business worked steadily in the direction of equalizing general economic levels rather than to produce permanent disabilities. Enormous wealth was created through agricultural production and the output of mines and factories. The failure of trade to respond favorably to these constructive factors was due to lack of balance in the economic structure and disturbed psychology of the consuming public. At the close of 1921 there was abundant evidence that the processes of readjustment had made notable strides, and that substantial foundations had been laid for reconstruction. In numerous important industries liquidation had run its course, while in virtually all, peak levels were left far behind and appreciable progress made toward normal.

Inventories taken at the beginning of the year disclosed in the main heavy stocks of both raw and finished materials, most of which had been purchased at high prices. The outlet for these goods was constricted by the disposition to economize among ultimate consumers, and ultra-conservatism on the part of wholesale and retail merchants. The practice of providing for future

requirements was almost completely abandoned, distributors holding down their purchases to such goods as they could dispose of from week to week or month to month. Unusual emphasis was laid on values and prices, and merchandise which was not reduced was moved only with the greatest difficulty, if at all. As the year became older the volume of buying was further curtailed by unemployment in the cities and the sweeping decline in the market values of farm products in the country. The decline in spending by the public during 1921 is reflected in Chart F, which gives the total debits charged by banks in the leading centers of this district to checking accounts, savings accounts and trust accounts each week during the year.

In the early autumn there began to develop signs of improvement in general business, which during the final months of the year became well defined in some of the leading industries of the district. Boots and shoes, clothing, groceries, furniture, drugs, chemicals and hardware moved much more satisfactorily, and in these lines there was some relaxation in the matter of immediate buying, fair sales being made for forward delivery. The advance in raw cotton prices resulted in a partial revival in the southern part of the district, and marketing of the tobacco and rice crops had a buoyant effect. In the typical grain and live stock areas, however, the latter months failed to bring notable relief in the general business situation.

### AGRICULTURAL CONDITIONS

Agriculture, upon which prosperity in the Eighth Federal Reserve District is largely dependent, sustained reverses in 1921. In the case of leading crops, cotton excepted, it was not failure that was responsible for the trouble, but the low prices obtained by producers as contrasted with prices of other commodities. In addition to being obliged to pay high for their necessary supplies, farmers were handicapped by exorbitant freight rates, which at certain stages of the market and where long hauls were involved, made profitable shipment of their products impossible. To offset reduced incomes it became necessary for agriculturists to practice rigid economies, and the soil was prepared and fall crops put in at smaller cost and with the purchase of fewer new implements than has been the case in several decades.

The cotton crop was short, due to smaller acreage, an extremely unfavorable growing season and depredations of boll weevils. During the first seven months of the year prices of raw cotton

were very low, and these debased prices applied on large stocks carried over from 1921. In sections where cotton is the chief crop, considerable business depression was felt, but this was relieved to some extent by advance in the price of cotton about the first of September. From that time to the end of the year cotton prices were well sustained.

The fruit crops of the district, notably apples, peaches and pears, were virtually a complete failure, due to spring frosts and freezes. Other small crops varied in size, but the general average was well up to that of recent years. Throughout the year every possible assistance was given by the Federal Reserve Bank to the agricultural industry through the medium of its member banks. In the closing months the demand for credit in the country was mainly for the purchase of live stock, farmers being anxious to augment their herds in order to take advantage of cheap and abundant feed crops. Credit in large volume was granted for this purpose.

### **BANKING CONDITIONS**

As a result of the unprecedented conditions outlined above, banks of the district were confronted with complex and difficult problems to handle, none more difficult than those of the Federal Reserve Bank. During no year since its establishment were there wider swings or more marked changes in the items representing its principal activities. Its part in the general readjustment was of first importance, both to member banks and to the business community. The extent of the services rendered is reflected in the following pages.

The reduced volume of business and the smaller credit needs had a marked effect on commercial banking. Between January 7 and December 7 the loans and discounts (exclusive of rediscounts) of 37 of the largest member banks in this district decreased from \$450,365,000 to \$408,478,000. Their bills rediscounted with the Federal Reserve Bank decreased from \$56,730,000 to \$30,365,000, and their bills payable with the reserve bank fell from \$17,579,000 to \$7,319,000. Between the dates mentioned the demand deposits in these reporting banks decreased from \$325,494,000 to \$296,495,000, but the time deposits increased from \$137,553,000 to \$150,312,000, due largely to the increase in savings.

The customary interest rate charged customers by banks in St. Louis remained at 7 per cent from the beginning of the year to the first of October, when a softening in the rate set in. At the



close of the year the customary rate was 6 per cent. In Memphis the customary interest rate was 7 per cent and in Little Rock practically 8 per cent throughout the year. The banks in Louisville charged 6 per cent, which is the limit under the laws of Kentucky.

Changes in the principal asset and liability items of reporting member banks in leading cities of this district during 1921 are set forth in Schedule 25 and Chart E. The discount and interest rates charged by member banks are given in Schedule 26.

## OPERATIONS OF FEDERAL RESERVE BANK OF ST. LOUIS

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The greatly reduced volume of business in the country during 1921, coupled with lower commodity prices and smaller credit needs, was directly reflected in the operations of the Federal Reserve Bank of St. Louis. Items representing routine activities show sharp declines as compared with the preceding year, excepting the reserve ratio, which on December 31, 1921 stood at 64.8 per cent, against 44.3 per cent at the close of 1920. Liquidation of discounted paper was almost continuous throughout the year, and was accompanied by a heavy return flow of Federal Reserve notes. Total earning assets of this bank on December 31 were only slightly more than half as large as on the same date in 1920. As a result of these movements, net earnings of this bank in 1921 showed a substantial decrease as compared with the year before.

### FINANCIAL RESULTS OF OPERATION

Gross earnings of the Federal Reserve Bank of St. Louis for 1921 aggregated \$5,166,315. Current expenses amounted to \$1,961,250, leaving net earnings of \$3,205,065, which were \$2,050,596 less than those for 1920. Dividends, amounting to \$270,253 were paid during the year, and \$1,639,109 were paid to the Government as a franchise tax. The amount transferred to surplus was \$1,042,564.

The chief source of revenue during 1921 was bills discounted for member banks, \$4,739,032 of the gross earnings being derived from these transactions. Acceptances purchased yielded \$41,427 and United States securities \$284,151. Schedule 1 shows in detail the earnings and expenses for 1921 as compared with previous years. A comparative statement of the profit and loss account is given in Schedule 2.

The total resources of the Federal Reserve Bank of St. Louis decreased from \$263,102,000 on December 31, 1920, to \$213,487,000 on December 31, 1921. Between these dates its deposits decreased from \$70,237,000 to \$69,264,000, and its earning assets decreased from \$133,308,000 to \$71,204,000. Federal Reserve notes in circulation fell from \$135,785,000 to \$95,246,000. These movements

were accompanied by a heavy gain in reserves, this item standing at \$88,876,000 on December 31, 1920 and at \$106,641,000 on the last day of 1921. Comparative balance sheets are given in Schedule 3. The movement of principal asset and liability items during the year is shown in Schedule 4 and Charts A and C.

### RESERVE POSITION

During the year under review the reserve position of this bank was progressively strong, its reserve ratio working upward from the first business day and reaching its high point toward the middle of December. It was not necessary to rediscount with any other Federal Reserve Bank, neither did any other reserve bank rediscount with this institution. On January 3, 1921, the reserve carried against net deposit and Federal Reserve note liabilities was 44.8 per cent, which, incidentally, was the low point of the year. The high level in January was 50.9 per cent, and during each succeeding month until and including May the trend was steadily upward, 62.7 per cent being reached in the latter month. In June the high point was 55 per cent, and in July it fell to 54.7 per cent, this slight dip being caused by increased borrowings incident to crop financing. However, the August high point was 60.5 per cent, and in September the range was from 55.8 to 59 per cent. Each of the following months showed radical advances, which culminated in the year's high record of 69.5 per cent, reached on December 12. On December 31 the ratio stood at 64.8 per cent.

The total cash reserves, net deposit and Federal Reserve note liabilities and reserve percentages by weeks are shown in Schedule 4 and Chart C.

### DISCOUNT OPERATIONS

The total amount of paper discounted for member banks during 1921 was \$1,609,023,938.91. Of this amount \$638,183,391.51 was single name paper; \$5,140,714.54 consisted of trade acceptances, or two-name paper, \$7,973,689.53 consisted of bankers' acceptances, and \$957,726,143.33 consisted of member banks' fifteen day collateral notes. Of the \$638,183,391.51 of commercial paper discounted, \$38,102,650.30 was secured by Government obligations, and of the \$957,726,143.33 of member banks' collateral notes, \$956,436,581.33 was secured by Government obligations. The total paper discounted for member banks during 1921 shows a decrease of \$829,016,774.70 under the amount discounted in 1920.



The paper entitled to classification as agricultural or live stock paper discounted in 1919 amounted to \$4,762,082.24; in 1920, \$24,591,095.49; and in 1921 such paper amounted to \$52,191,415.36. It will be noted that there was an increase in the discount of agricultural paper of over \$27,600,000 in 1921 as compared to 1920. The figures given for these three years indicate an enormous growth in the amount of agricultural or live stock paper rediscounted for the farming communities. The assistance given by this bank to the rural communities is even greater than indicated by the figures, because so much of the borrowings of country banks on their own promissory notes, which do not indicate whether the proceeds are to be used for agricultural purposes, in reality are for benefit of the farmer.

The total number of bills handled during 1921 was 80,820 as follows: Rediscounts 67,881; member banks' collateral notes 11,017; and acceptances bought 1,922. There were 2,959 fewer bills handled than in 1920.

Of the 588 member banks, 390 different member banks borrowed from this bank in 1921, which is an increase of four over the number accommodated in 1920.

Schedule 5 shows the volume of the different classes of paper discounted by this bank and each of its branches, also the volume of paper received from each state each month and the number of different banks in each state discounting during the year. The total amount of discounts held each week is given in Schedule 4 and Chart A. The demand for accommodations in the territories served by the parent bank and each branch is shown in Chart B.

#### **TRADE ACCEPTANCES**

During 1921, this bank discounted a total of \$5,140,714.54 of trade acceptances for member banks, which is a decrease of \$8,330,436.47, as compared to 1920. The decrease is due in part to unfavorable conditions and in part to the fact that banks did not rediscount as much as during the previous year.

#### **BANKERS' ACCEPTANCES**

During the past year this bank purchased a total of \$21,187,537.51 of bankers' acceptances, of which \$1,000,059.27 were purchased from the Federal Reserve Bank of Chicago. This is a decrease of \$14,832,079.95 under the amount purchased during 1920. The rates on these acceptance ranged from  $4\frac{1}{8}$  to  $6\frac{1}{2}$  per cent.

Schedule 6 shows the amount of bankers' acceptances purchased each month.

The following member banks were authorized by the Federal Reserve Board during 1921 to accept up to 100 per cent of their capital and surplus, drafts and bills of exchange growing out of transactions involving the importation or exportation of goods, as provided in Section 13 of the Federal Reserve Act:

Peoples Savings Bank & Trust Co.....	Pine Bluff, Ark.
First National Bank.....	Itta Bena, Miss.

The addition of these two makes ten member banks in this district which have been granted permission to accept up to 100 per cent.

### DISCOUNT RATES

During the year the normal discount rates of this bank did not exceed 6 per cent. The normal rates in effect at the opening and close of the year, and changes made during the year, are shown in Schedule 7.

On May 21, 1921 the bank modified its progressive discount rate, which was established May 26, 1920. Under the new plan, the average borrowings in excess of the basic line were charged a rate of 7 per cent per annum. The progressive rate was abolished entirely, effective June 23, 1921.

### FEDERAL RESERVE NOTES

Federal Reserve notes aggregating \$71,640,000 were received by the Federal Reserve Agent from the Comptroller of the Currency during 1921. A total of \$74,960,000 was issued and reissued by the Agent to the Federal Reserve Bank of St. Louis against the pledge of gold and eligible paper, which was \$31,510,000 less than the amount issued and reissued during 1920. The demand for Federal Reserve notes was heaviest in February and through July, August, September and October. Schedule 8 shows the amount of each denomination of Federal Reserve notes issued to the bank each month.

During the year the bank returned to the Federal Reserve Agent \$5,600,000 of fit Federal Reserve notes.

The Treasurer of the United States during 1921 redeemed, out of the redemption fund maintained with him by the Federal Reserve

Agent, \$110,648,440 of unfit notes of the Federal Reserve Bank of St. Louis, which were turned over to the Comptroller of the Currency for destruction.

Federal Reserve notes outstanding on December 31, 1921, amounted to \$114,102,945. To secure these notes there were \$66,158,105 of gold and \$63,240,311.84 of eligible paper pledged with the Federal Reserve Agent. Of the \$114,102,945 Federal Reserve notes outstanding, \$17,775,195 were held by the Federal Reserve Bank and its branches and \$1,081,550 were in transit to Washington for redemption, leaving \$95,246,200 in actual circulation on December 31, 1921. This was \$40,539,130 less than the amount in circulation at the close of 1920.

Schedule 9 shows the amount of each denomination of Federal Reserve notes outstanding December 31, 1920, issued, returned and redeemed during 1921 and outstanding December 31, 1921. A comparative statement of the Federal Reserve Agent's accounts is given in Schedule 10.

During 1921 the Federal Reserve Bank of St. Louis received for redemption or credit \$61,726,100 of its own Federal Reserve notes from other Federal Reserve Banks, and returned to other Federal Reserve Banks for redemption or credit \$79,627,865 of their notes. In other words this bank returned \$17,901,765 more notes of other banks than it received of its own. As was the case in 1920 the Federal Reserve Bank of Chicago returned to this bank more notes of the Federal Reserve Bank of St. Louis than did any other district. This bank also returned more notes of the Federal Reserve Bank of Chicago than of any other district. Schedule 11 shows the amount of Federal Reserve notes received by this bank from each other Federal Reserve Bank and the amount of notes of each other Federal Reserve Bank returned by this bank.

#### **FEDERAL RESERVE BANK NOTES**

Federal Reserve Bank notes issued during 1921 totaled \$6,124,000, all of which amount represented replacement of unfit notes redeemed. Redemptions of unfit Federal Reserve Bank notes during the period under review were \$11,655,000, representing a net reduction of \$5,531,000 in the amount of notes outstanding.

The amount of Federal Reserve Bank notes outstanding on December 31, 1921, was \$4,077,600. They were secured by



\$6,569,000 United States Special 2 per cent certificates of indebtedness, deposited with the Treasurer of the United States. Of the bank notes outstanding at the close of the year, \$154,171 were held by Federal Reserve Bank of St. Louis and its branches, leaving \$3,923,429 in actual circulation. This was \$5,563,321 less than the amount in circulation at the end of 1920.

Schedule 12 sets forth by denominations Federal Reserve Bank notes outstanding December 31, 1920, also, redemptions and replacements during 1921, together with balance outstanding December 31, 1921.

### **CURRENCY RECEIPTS AND PAYMENTS**

As stated in preceding annual report, the Federal Reserve Bank of St. Louis and its branches absorb costs incident to shipments of paper currency, subsidiary silver and minor coin to member banks and of paper currency and all coin from member banks; also, the cost of incoming shipments of paper currency and coin from non-member banks remitting regularly to the Federal Reserve Bank at par. In addition, at the request of a member bank, the Federal Reserve Bank also ships paper currency, subsidiary silver and minor coin to any bank or trust company, either member or non-member, in the district. It pays the charges when such shipment is made to another member bank, but not when made to a non-member.

Greatly increased operations have resulted, covering both receipts and shipments, the increased volume being particularly noticeable in shipments to non-member banks at the request of members. This arrangement has proved of great value to member banks, in that it obviates rehandling shipments.

During the year the Federal Reserve Bank of St. Louis and its branches paid out \$365,703,943.82 in paper currency and coin, of which \$322,452,917.31 were paid to member banks and \$43,251,026.51 to non-member banks. Of the \$468,160,862.27 paper currency and coin received, member banks' deposits amounted to \$432,892,495.62 and those of non-member banks totaled \$35,268,366.65.

Schedule 13 gives in detail the amounts of currency received and paid out by the parent bank and each of its branches.

### **CLEARINGS**

During 1921 the Federal Reserve Bank of St. Louis and its branches handled 33,997,778 checks amounting to \$5,605,464,501, indicating an increase of 2,307,210 in the number of checks han-

dled, but a decrease of \$2,039,135,641 in the amount, as compared with the respective totals of the preceding year. The average daily number of items handled during the year was 113,326. In point of number of checks handled, 1921 established a new high record. The sharp decrease under the preceding year in the total dollar amount represented by the checks cleared is attributable in large part to the radical downward readjustment in commodity prices, and consequent shrinkage in the average size of transactions covered by check payments.

Schedule 14 shows the number and amount of the various classes of clearing items and Chart D shows the daily average number of items handled by the Federal Reserve Bank of St. Louis and its branches each month.

The member banks in the district which were availing themselves of the clearing facilities at the close of the year was 345, against 332 at the close of 1920. Nineteen non-member banks were maintaining clearing accounts with the Federal Reserve Bank and branches, against 17 at the end of the preceding year.

At the end of the year, this bank and its branches were collecting, at par, checks on 3,076 banks out of a total of 3,243 banks in the Eighth Federal Reserve District. The difference represented 167 non-member banks located in Mississippi, which had not agreed to remit for checks at par.

The privilege of routing items which are payable in other Federal Reserve Districts direct to other Federal Reserve Banks and branches for the credit of this bank and for use of the forwarding bank, has been granted to 35 banks in the district.

In July, 1920, this bank put into operation a plan whereby cash letters, addressed to other Federal Reserve Banks and branches by direct sending member banks in St. Louis, could be deposited in the Federal Reserve Bank of St. Louis during certain hours on each business day. These cash letters are enclosed with similar items of the St. Louis Federal Reserve Bank and dispatched to the addressees. During the year under review there were dispatched through the St. Louis parent bank 329,235 letters amounting to \$2,234,435,807.62. The expense of postage was borne by this bank. This service was extended to the local members of the Memphis branch during the year, and will be extended to the local member banks in Louisville and Little Rock shortly after January 1, 1922.

## COLLECTIONS

The machinery set up by the Federal Reserve Bank for serving its member banks in the matter of collections proved eminently successful during the year under review. The members availed themselves to a greater extent than in any preceding year of the facilities for collecting such items as notes, drafts, acceptances, coupons, etc. The total representing both items and amount show good gains over those of 1920. During 1921 this bank handled all told 130,952 collection items, amounting to \$190,104,225.67, which compares with 90,593 items, amounting to \$180,848,903.41 in 1920. Of the collection items handled 118,144 items, amounting to \$177,526,828.71 were collected, leaving 12,808 items representing \$12,577,396.96 returned unpaid. The average item handled in 1921 was approximately \$1,451, against an average of \$1,996 in 1920 and about \$2,538 in 1919. Schedule 15 gives the number and amount of collections handled each month by this bank and its branches.

## GOLD SETTLEMENT FUND

The gold settlement fund in Washington is used for the settlement of transactions between the several Federal Reserve Banks, and with each succeeding year its efficiency and usefulness becomes more apparent. The facility and quickness for making settlements through this medium, along with its other advantages, permit of an immediate reflection of the true reserve condition of each district. Through this fund are cleared not only the balances between Federal Reserve districts on check clearances, but transfers of funds for account of the United States Treasury and of member banks and their customers, rediscounts and sales of acceptances between Federal Reserve Banks. Advices directing these operations are dispatched over the private wire system which connects the Federal Reserve Banks, their branches and the Federal Reserve Board at Washington.

The total amount of the 1921 gold settlement fund operations with this bank indicates a marked decrease as contrasted with 1920. The reduction in rediscount transactions and other items reflecting the trend of commercial affairs had direct bearing on the decline shown in gold settlement operations.

The balance in this account on December 30, 1920, was \$21,852,704.38 and the balance on December 28, 1921 was \$20,728,174.05. Total settlements were as follows: Receipts,



\$4,545,632,082.11 and disbursements, \$4,546,756,612.44, indicating a net loss of \$1,124,530.33. Schedule 17 shows the debits, credits and balance in the gold settlement fund, each week.

Most of the gold pledged with the Federal Reserve Agent as security for Federal Reserve notes is deposited in the Federal Reserve Agents' fund in Washington. Through this fund transfers are made by wire between the Federal Reserve Bank and the Federal Reserve Agent, as well as transfers to the funds in Washington used to redeem Federal Reserve notes. During 1921 the total deposits made to the credit of the Federal Reserve Agent at St. Louis through this fund amounted to \$159,569,400, and the withdrawals aggregated \$142,000,000. The balance to his credit in this fund at the close of the year was \$57,100,000.

UNIVERSITY OF ILLINOIS LIBRARY

### TRANSFERS OF FUNDS

MAY 18 1922

To a relatively greater extent than during any preceding year member banks availed themselves of the service of the Federal Reserve Bank in transferring funds. It is possible through the facilities offered to make payments between points separated by great distance immediately, without cost to member banks and at par. The following table gives statistics covering outgoing and incoming wire transfers handled by the St. Louis Federal Reserve Bank and its branches:

	Outgoing Wire Transfers		Incoming Wire Transfers	
	Number	Amount	Number	Amount
St. Louis .....	18,521	\$ 846,699,431.44	12,077	\$411,381,770.78
Louisville .....	4,247	164,013,124.38	1,455	85,155,141.26
Memphis .....	3,173	67,283,608.48	3,644	114,025,982.23
Little Rock.....	2,151	41,208,405.82	3,643	94,085,650.36
Totals for 1921..	28,092	1,119,204,570.12	20,819	704,648,544.63
Totals for 1920..	32,068	1,225,250,058.53	17,982	756,496,519.11

### DEPOSITS TO 5% FUND FOR NATIONAL BANKS

Analysis of the deposits made by the Federal Reserve Bank of St. Louis for national banks to their 5 per cent redemption accounts with the Treasurer of the United States at Washington,

through medium of the Federal Reserve Board and the Gold Settlement Fund, in 1921 shows an enormous increase over the preceding year both in the number of deposits and the dollar amounts involved. Details of these operations by months follow:

	No. of Deposits	Amount
January .....	1,953	\$ 2,104,188.44
February .....	1,733	2,473,725.39
March .....	1,591	2,681,058.40
April .....	1,094	2,197,147.81
May .....	1,932	2,804,680.00
June .....	941	2,478,350.00
July .....	721	2,411,663.50
August .....	2,078	2,963,510.00
September .....	2,037	2,637,877.50
October .....	2,458	2,884,652.50
November .....	2,458	3,228,458.57
December .....	1,816	3,002,103.98
Totals for 1921.....	20,812	31,867,416.09
Totals for 1920.....	7,661	18,768,282.21

#### NATIONAL BANKS GRANTED FIDUCIARY POWERS

At the end of 1921 there were 89 national banks in the Eighth Federal Reserve District authorized to exercise fiduciary powers under the provisions of Section 11 (k) of the Federal Reserve Act, as amended September 26, 1918, a net gain for the year of 7 banks. The distribution by states of these banks was as follows: Arkansas, 15; Illinois, 21; Indiana, 15; Kentucky, 20; Mississippi, 2; Missouri, 15 and Tennessee, 1. Schedule 18 gives a list of the national banks granted permission in 1921 to exercise fiduciary powers.

#### MONTHLY REPORT ON CONDITIONS

The scope of the report on general business conditions in the Eighth Federal Reserve District, issued monthly by this bank, was broadened during the year by the introduction of several new investigations and studies. Notable among these may be mentioned compilations of labor, power consumption, and savings statistics.

## RELATIONS WITH BANKS

More thorough acquaintance by member and non-member banks of the district with the services of the Federal Reserve Bank resulted during the year in closer and more profitable relations.

As in the past, every effort was made by this institution to increase its usefulness to member banks and the communities served by them.

Following the practice of preceding years, representatives of the Federal Reserve Bank attended conventions and group meetings of bankers' organizations in the several states, and in addition personal calls were made by officers and representatives on banks of the district.

## MOVEMENT OF MEMBERSHIP

On January 1, 1921 the Federal Reserve Bank of St. Louis had a total of 571 member banks consisting of 480 national banks and 91 state banks and trust companies. Its authorized capital was \$8,741,000, of which \$4,364,750, was paid in. During the year nine new national banks were admitted to membership and six surrendered their memberships through liquidation or consolidation. Fourteen state banks and trust companies became members.

On December 31, 1921 this bank had a membership of 588, consisting of 483 national banks and 105 state banks and trust companies, an increase of 3 national banks and fourteen state institutions for the year. The total authorized capital stock was \$9,206,160, of which \$4,603,050 was paid in. The paid-in capital increased \$238,300 during the period under review.

Schedule 19 gives a list of the national and state banks which became members during 1921; also, the banks which liquidated or consolidated and banks that changed their titles.

At the close of the year there were 1,128 eligible non-member state banks and trust companies in this district with total resources aggregating approximately \$628,106,000. The total resources of the 105 member state banks and trust companies amounted to \$417,959,000, which is almost 40% of the total resources of all eligible state institutions in the district. Several applications of state banks for membership were pending at the close of the year.



## EXAMINATION DEPARTMENT

Examiners of the Federal Reserve Bank participated with the various state banking departments of the district in 89 examinations of 66 member state banks and trust companies. The Federal Reserve examiners also made 12 independent examinations of state banks applying for membership.

The following table shows the work done by states:

STATE	Member state banks	Independent examinations by F. R. examiners	Independent examinations by state examiners	Participations by Federal Reserve examiners
Arkansas .....	36	7	2	41
Illinois .....	15	0	16	0
Indiana .....	2	0	0	1
Kentucky .....	5	0	0	7
Mississippi ....	3	1	2	0
Missouri .....	33	3	3	19
Tennessee .....	11	1	0	21
Totals....	105	12	23	89

## FOREIGN ACCOUNTS

Reductions in balances of foreign accounts took place during the year under review. The Bank of England sterling gold account, with a balance of \$3,029,109.69 was completely eliminated from the books of this bank.

The balance to credit of the Bank of France, earmarked gold account, as of January 1, 1921, \$155,100, was eliminated by final withdrawal on March 30.

Balance of a proportionate share of the Bank of Japan deposits, represented on January 1, 1921, by \$188,000, was increased by \$188,000, making a balance on December 31, 1921, of \$376,000.

## INTERNAL ORGANIZATION

The Board of Directors of the Federal Reserve Bank of St. Louis on January 1, 1921, was composed of the following members: John G. Lonsdale, J. C. Utterback and Sam A. Ziegler, Class A directors; LeRoy Percy, W. B. Plunkett and Rolla Wells, Class B directors, and John W. Boehne, William McC. Martin and C. P. J. Mooney, Class C directors. Mr. Martin was also Chairman of the Board and Federal Reserve Agent, and Mr. Boehne was Deputy Chairman. Of the above directors, the terms of Messrs. Wells, Utterback and Martin expired on December 31, 1921.

From November 17 to December 3 an election was conducted for the selection of Class A and Class B directors to succeed Mr. Utterback and Mr. Wells, respectively. Both retiring directors were reelected, Mr. Utterback by banks in Group 2 and Mr. Wells by the Group 1 banks, to serve for three years from January 1, 1922. In December the Federal Reserve Board reappointed Mr. Martin as Class C director and Chairman of the Board and Federal Reserve Agent. It also redesignated Mr. Boehne as Deputy Chairman. The Board held 23 meetings during the year, with an average attendance of 7 directors.

On January 5 the Board elected Directors Boehne, Lonsdale and Wells to serve on the Executive Committee with the Governor and Federal Reserve Agent. Throughout the year the Executive Committee met on Mondays, Wednesdays and Fridays. All told, 152 meetings were held.

At the meeting of the directorate on January 5 the following officers were elected to serve during 1921: David C. Biggs, Governor; Olin M. Attebery, Deputy Governor; J. G. McConkey, Secretary and Counsel; J. W. White, Cashier; A. H. Haill, J. W. Rinkleff, W. H. Glasgow, S. F. Gilmore, E. C. Adams and F. N. Hall, Assistant Cashiers. The Board also elected E. J. Novy as General Auditor and L. H. Bailey, H. L. Trafton, A. E. Debrecht, L. A. Moore, C. E. Martin and E. I. Nowotny as Assistant Auditors. F. O. Watts, President of the First National Bank in St. Louis, was reelected to represent the Federal Reserve Bank of St. Louis on the Federal Advisory Council during 1921. L. T. Walker was elected acting assistant auditor in October.

C. M. Stewart was reappointed Assistant Federal Reserve Agent at the beginning of the year.

At the close of 1921 the Federal Reserve Bank of St. Louis and its branches had 762 officers and employees, of whom 87 were engaged in fiscal agency work. At the close of 1920 the total personnel was 851, of whom 136 were employed in fiscal agency work.

### **BANKING QUARTERS**

During the year under review the Federal Reserve Bank of St. Louis continued to occupy its rented quarters in the Federal Reserve building, northeast corner of Broadway and Pine street, four floors in the adjoining Commerce Trust building and also space formerly occupied by the Sub-treasury in the Custom House, Ninth and Olive streets.

As mentioned in preceding annual reports, this bank has purchased land upon which to erect permanent quarters, located in the heart of the financial district of St. Louis, and having a continuous frontage on Broadway, Locust and Fourth streets. Work during 1921 consisted of razing old buildings on the site, and drawing of plans for the new structure.



## OPERATIONS OF BRANCHES

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Routine operations of this bank in the southern sections of the district were handled largely through its three branches at Louisville, Ky., Memphis, Tenn., and Little Rock, Ark. To a much greater extent than in preceding years the member banks appeared to understand and appreciate the facilities afforded by the branches and to take advantage of them. This was true not only of discounting privileges, but of such miscellaneous services as collections, clearings, transfer of funds, etc.

### LOUISVILLE BRANCH

Total earnings of the Louisville branch in 1921 were \$691,550.96 and its expenses amounted to \$186,866.58, leaving net earnings of \$504,684.38. Of the total earnings \$681,313.36 were derived from bills discounted for member banks. Bills discounted for member banks in 1921 totaled \$362,424,862.17. Schedule 5 shows amounts of the different classes of paper discounted during the year.

During 1921 the Louisville branch handled 6,209,943 clearing items, representing a face value of \$976,889,080. It handled a total of 18,628 collection items amounting to \$26,711,547.35. Schedules 14 and 15 show the clearing items and collection items handled each month. Currency receipts of this branch from member and non-member banks for the year amounted to \$80,624,578.07 and its payments totaled \$61,451,183.88, as shown in Schedule 13.

On January 5, 1921, the directors of the parent bank reelected W. P. Kincheloe, manager, John T. Moore, cashier, and Earl R. Muir, assistant cashier, for 1921. They also reelected as directors of the Louisville branch Mr. Kincheloe, George W. Norton and W. C. Montgomery. F. M. Sackett and E. L. Swearingen were reappointed directors by the Federal Reserve Board.

At the close of the year the Louisville branch had 89 officers and employees, which compares with 79 officers and employees at close of 1920. The number of member banks assigned to it was 94.

### MEMPHIS BRANCH

In 1921 total earnings of the Memphis branch amounted to \$1,151,991.88 and the expenses to \$246,249.29, with the resultant net earnings of \$905,742.59. Of the total earnings \$1,131,409.76 were derived from bills discounted for member banks. During the year this branch discounted a total of \$215,454,134.12 of paper for member banks and purchased bankers' acceptances in the sum of \$38,037.22 from member banks. Schedule 5 gives the amounts of the several classes of paper discounted, and Schedule 6 sets forth the amount of bankers' acceptances purchased each month.

The Memphis branch in 1921 handled a total of 2,897,023 clearing items, representing \$471,659,642. It handled 17,065 collection items amounting to \$18,764,347.87. Schedules 14 and 15 show the clearing items and collection items handled each month. The currency receipts from member and non-member banks for the year amounted to \$47,732,464 and payments totaled \$47,844,259 as set forth in Schedule 13.

At its meeting on January 5, 1921, the directorate of the parent bank reelected John J. Heflin, manager, A. J. Williams, cashier and V. S. Fuqua, assistant cashier. As directors of this branch, Mr. Heflin, R. Brinkley Snowden and John D. McDowell were reelected to serve during 1921. The Federal Reserve Board reappointed T. K. Riddick and S. E. Ragland members of the branch directorate.

At the end of 1921 the Memphis branch had a total of 91 officers and employees, which compares with 84 at the close of business on December 31, 1920. The number of member banks assigned to it was 55.

### LITTLE ROCK BRANCH

The earnings of the Little Rock branch for 1921 totalled \$670,937.99 and its expenses were \$169,314.90, leaving net earnings of \$501,623.09. Of the total earnings \$654,361.58 were derived from bills discounted for member banks. In course of the year this branch discounted for member banks an aggregate of \$141,079,685.86 of paper and purchased \$19,735.27 of acceptances from member banks. Schedule 5 shows the amounts of the different classes of paper discounted during 1921 and Schedule 6 shows the amount of bankers' acceptances purchased each month.

A total of 4,252,127 clearing items was handled by the branch in 1921, amounting to \$525,178,903. It also handled 12,685 collection items amounting to \$11,620,968.49. Schedules 14 and 15 show

the clearing items and collections handled each month. Its currency receipts from member and non-member banks for the year amounted to \$30,007,563 and its payments aggregated \$27,554,236, as shown in Schedule 13.

A. F. Bailey was reelected manager of the Little Rock branch by the board of directors of the parent bank at its meeting on January 5, 1921. M. H. Long and F. A. Coe were reelected cashier and assistant cashier respectively. Mr. Bailey, C. A. Pratt and J. E. England, Jr., were reelected members of the board of directors of the branch by the parent board, and the Federal Reserve Board reappointed Moorhead Wright and George W. Rogers as directors.

At the close of the year the Little Rock branch had 66 officers and employees, which compares with 68 officers and employees at the close of 1920. The number of member banks assigned to this branch was 69.



## FISCAL AGENCY OPERATIONS

The year under review was the first full twelve-month period during which the Federal Reserve Bank of St. Louis performed all the duties in this district of fiscal agent of the United States Government. Heretofore the larger part of subtreasury functions devolved upon this bank, but the few remaining activities in this category were transferred to it with the actual taking over of the St. Louis Subtreasury on January 8, 1921.

The principal business of the fiscal agency department consisted of receiving and disbursing funds for account of the Government, the sale and delivery of United States certificates of indebtedness, treasury notes, and war savings securities, also, the exchange and conversion of Liberty Loan bonds for financial institutions and the public. Since July 1, 1921, the Federal Reserve Bank has absorbed the expenses of the fiscal agency department.

### CERTIFICATES OF INDEBTEDNESS AND TREASURY NOTES

During 1921 the Government offered eighteen issues of certificates of indebtedness and treasury notes, aggregating \$2,950,000,000, which was \$1,000,000,000 less than the amount offered in 1920. The total quota of these issues assigned to this district was \$118,000,000. Financial institutions, corporations and individuals subscribed to \$231,774,200 of the issues, or almost twice the district's quota. The total amount allotted by the Treasury Department was \$130,485,600.

Of these issues, nine were in anticipation of income and excess profits taxes, seven were offerings of so-called loan certificates, and two were short-term treasury notes to mature in 1924. The latter were issued in anticipation of refunding the Victory Notes which will mature in 1923.

All of the issues, except the two dated March 15, enjoyed tremendous popularity and subscriptions were far in excess of the quotas assigned to this district. Subscriptions to the various issues during the year were made by 1,198 different banks. Schedule 20 shows the different offerings of certificates of indebtedness and treasury notes, also the subscriptions and allotments to each issue.

The Federal Reserve Bank of St. Louis and its branches redeemed during 1921 a total of \$107,909,000 of certificates of

indebtedness, of which \$100,432,000 were redeemed in cash and \$7,477,000 were applied on subscriptions to other issues of certificates and treasury notes. Schedule 21 sets forth the amount of certificates redeemed by the parent bank and each branch.

### **DEPOSIT OF TREASURY FUNDS WITH BANKS**

In the course of the year two more banks in this district qualified to receive deposits arising out of the sale of treasury certificates of indebtedness and notes. Adding these two to the number which had qualified prior to January 1, 1921, and deducting those which were dropped from the list, there remained 476 Government depositaries at the end of the year under review, which compares with 478 on December 31, 1920.

All collateral put up as security for these deposits was in custody of this bank, and in addition it performed all duties incident to the deposit and withdrawal of funds, interest, etc. In order to facilitate these transactions, several outside custodians of collateral were appointed. The largest amount of collateral held at any one time was on September 22, when the securities totaled \$29,824,000. The average securities pledged against war loan deposits at the end of each month during 1921 were as follows: In our own vaults \$14,172,609; outside custodians \$1,317,792. The average number of outside custodians at the end of each month was 2. The largest amount of deposits outstanding with depositaries at any one time was \$22,003,000 on September 17. The total amount of deposits made with depositaries during the year was \$96,039,000, of which \$8,123,000 was outstanding at the close of business December 31. Interest collected by the Federal Reserve Bank for account of the United States Government on such deposits during the year amounted to \$148,917.

### **DELIVERY OF PERMANENT LIBERTY BONDS ON CONSIGNMENT**

Pursuant to Treasury Department Circular No. 164, 25 banks and trust companies which had previously qualified as Government depositaries under Treasury Department Circular No. 92, as amended and supplemented April 17, 1919, availed themselves of their privilege to obtain permanent Liberty Bonds on consignment to exchange for temporary bonds. This privilege expired June 30, 1921 and all consignment accounts have since been closed and the collateral securing same withdrawn. This bank had custody of all

collateral offered as security for consignment of bonds and performed all duties incident to the consignment of permanent and surrender of temporary bonds for credit in Permanent Bond Account. The largest amount of collateral in custody at any one time was held on February 25 when securities totaled \$2,321,350. The largest amount of bonds outstanding on consignment at any given time was \$2,077,100 on February 9. Deliveries of permanent Liberty Loan Bonds on consignment for the year amounted to \$6,243,550. These were divided among the several issues as follows:

First Liberty Loan Bonds, Con. 4¼% of 1932-47....	\$ 5,500.00
Second Liberty Loan Bonds Con. 4¼% of 1927-42..	20,000.00
Third Liberty Loan Bonds, 4¼% of 1928.....	43,450.00
Fourth Liberty Loan Bonds, 4¼% of 1933-38.....	6,174,600.00
Total.....	\$6,243,550.00

## EXCHANGES AND CONVERSIONS OF LIBERTY LOAN BONDS

The volume of business transacted in 1921 by the fiscal agency department in connection with the exchange and conversion of war bond issues was extremely heavy. This bank and its branches received for exchange or conversion a total of 1,191,302 Liberty Bonds and Victory notes of a par value of \$233,107,600, and delivered 988,906 bonds and notes of the par value of \$269,310,650. These figures represent the actual transactions handled during 1921, and the increase in the amount delivered over the amount received largely represents Fourth temporary 4¼% Liberty Bonds received during 1920 but the permanent bonds were not delivered until 1921.

Schedule 22 gives details relative to the exchange and conversion of the different classes of Liberty Loan Bonds and Victory Notes.

## TREASURY SAVINGS SECURITIES

During 1921, only 8,800 thrift stamps, treasury savings stamps, war savings stamps and treasury savings certificates, amounting to \$391,230, were sold by this bank and other banks in the district. In 1920, 29,782 treasury savings securities, aggregating \$1,422,109, were sold.

While the sales of savings securities during 1921 were considerably under those of the preceding year, circumstances considered, the showing is rather favorable. No active selling campaign was conducted and business depression and general unemployment tended to hold down the volume of sales, as did the higher interest



returns offered by other investments during the early months of the year. Toward the close of the year there was a much better demand for this variety of security, and the new issue of treasury savings certificates, which was placed on sale December 15, gives every indication of being more popular than preceding issues.

There were redeemed during the year 9,128 treasury savings securities, of the value of \$170,555.75. In 1920, 45,722 securities, amounting to \$1,236,034, were redeemed. This reduction in redemptions shows that a greater percentage of treasury savings securities are remaining in the hands of the public.

Schedules 23 and 24 give the number and amount of the different classes of treasury savings securities sold and redeemed each month.

### **WAR FINANCE CORPORATION**

During the early months of 1921 War Finance Corporation activities were discontinued. Later in the year, however, the Corporation again became active, taking up loans in connection with financing needs of the agricultural communities. This necessitated a revival of the fiscal agency services of the Federal Reserve Banks.

Advances made by this bank for account of the War Finance Corporation in 1921, including the handling of notes and collateral covering these operations, totaled \$5,630,718.29. Detail of these advances is as follows: St. Louis, \$1,142,140; Louisville Branch, \$149,378.47; Memphis Branch, \$3,707,139.21 and Little Rock Branch, \$632,060.61.

### **GOVERNMENT CHECKS, WARRANTS AND COUPONS**

During the year, the Federal Reserve Bank of St. Louis and its branches handled a total of 2,012,032 checks and warrants drawn on the United States Treasurer, amounting to \$202,057,794, as shown by Schedule 14. These figures show an increase of 367,903 in the number of items handled, but a decrease of \$21,546,452 in the amount, as compared to 1920.

The number of Government coupons handled in 1921 was 5,216,274 with a face value of \$30,405,260.28, which compares with 6,332,980 coupons amounting to \$28,606,861.67 in 1920. Schedule 16 gives the number and amount of the different classes of coupons handled each month.

The Government deposits in the Federal Reserve Bank of St. Louis at the close of business December 31, 1921, amounted to \$3,802,000, as compared to \$2,618,000 at the close of 1920.

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**SCHEDULE 1.—Comparative statement of earnings and expenses of Federal Reserve  
Bank of St. Louis, including its branches.**

EARNINGS	1921	1920	1919
Discounted bills.....	\$4,739,032	\$6,382,357	\$2,918,462
Purchased bills.....	41,427	273,425	564,495
United States securities.....	284,161	391,611	320,412
Transfers—net earnings.....			10,570
Deficient reserve penalties.....	80,640	104,164	52,373
Miscellaneous.....	21,065	28,560	18,166
<b>Total earnings.....</b>	<b>\$5,166,315</b>	<b>\$7,180,117</b>	<b>\$3,884,478</b>
<b>CURRENT EXPENSES</b>			
Salaries:			
Bank officers.....	\$151,043	\$126,916	\$95,040
Clerical staff.....	931,158	747,312	400,860
Special officers and watchmen.....	28,069	22,984	13,408
All other.....	38,763	30,693	20,289
Governors' conferences.....	675	277	553
Federal Reserve Agents' conferences.....	287	282	229
Federal Advisory Council.....	1,200	1,200	1,150
Directors' meetings.....	11,948	11,849	11,586
Traveling expenses*.....	29,373	25,525	22,933
Assessment for Federal Reserve Board expenses.....	31,597	26,618	24,981
Legal fees.....	116	1,505	61
Insurance (life, fidelity, casualty, workmen's compensation and general liability).....	39,654	27,107	18,961
Banking house:			
Taxes and fire insurance.....	2,284		
Light, heat and power.....	3,184		
Repairs and alterations.....	296		
All other.....	168	97,264	43,980
Rent, including light, heat and power and minor alterations.....	63,897		
Fire insurance—furniture and equipment.....	907		
Printing and stationery.....	65,809	76,743	34,676
Telephone.....	8,217	6,629	3,548
Telegraph.....	43,262	44,800	15,609
Security shipments.....	5,072		
Currency and coin shipments.....	30,646	139,221	107,228
Postage and expressage (other than on money and security shipments).....	87,479		
Furniture and equipment.....	54,082	176,102	73,798
Federal Reserve currency:			
Original cost, including shipping charges.....	236,047	238,051	188,617
Cost of redemption, including shipping charges.....	20,049	32,988	20,313
Taxes on Federal Reserve bank note circulation.....	26,500	58,000	58,300
All other expenses.....	49,468	32,390	18,673
<b>Total current expenses.....</b>	<b>\$1,961,250</b>	<b>\$1,924,456</b>	<b>\$1,174,793</b>
<b>Current net earnings.....</b>	<b>\$3,205,065</b>	<b>\$5,255,661</b>	<b>\$2,709,685</b>

\*Other than those connected with Governors' and Agents' conferences and meetings of directors and of the advisory council.



**SCHEDULE 2.—Comparative profit and loss statement of Federal Reserve Bank of St. Louis, including its branches.**

PROFIT AND LOSS ACCOUNT	1921	1920	1919
Earnings.....	\$5,166,315	\$7,180,117	\$3,884,478
Current expenses.....	1,961,250	1,924,456	1,174,793
Current net earnings.....	\$3,205,065	\$5,255,661	\$2,709,685
Additions to current net earnings:			
Assessments account expenses Federal Reserve Board previously charged to profit and loss.....		19,520	
All other.....	\$13,241		
Total additions.....	\$13,241	\$19,520	
Deductions from current net earnings:			
Depreciation allowances on bank premises.....	\$112,224	\$350,000	\$335,000
Reserve for possible losses.....	150,000		
Reserve for depreciation on U. S. bonds.....		34,615	
Assessment account expenses Federal Reserve Board.....			19,520
All other.....	4,156	15,000	11
Total deductions.....	\$266,380	\$399,615	\$354,531
Net deductions from current net earnings.....	\$253,139	\$380,095	\$354,531
Net earnings available for dividends, surplus and franchise tax.....	\$2,951,926	\$4,875,566	\$2,355,154
Dividends paid.....	\$ 270,253	\$ 253,711	\$ 234,660
Transferred to surplus account.....	1,042,564	4,621,855	2,120,494
Franchise tax paid U. S. Government.....	1,639,109		

\*Includes reserve of \$100,000 for dismantling old building.

**SCHEDULE 3.—Comparative statement of condition of Federal Reserve Bank of St. Louis, including its branches. (In thousands of dollars)**

RESOURCES	Dec. 31, 1921	Dec. 31, 1920	Dec. 31, 1919
Gold and gold certificates.....	\$ 3,257	\$ 5,129	\$ 2,757
Gold settlement fund—Federal Reserve Board.....	22,963	21,763	17,888
Gold with foreign agencies.....		155	6,172
Total gold held by bank.....	\$ 26,220	\$ 27,047	\$ 26,817
Gold with Federal Reserve agent.....	66,158	49,337	61,625
Gold redemption fund.....	3,695	6,404	6,132
Total gold reserves.....	\$ 96,073	\$ 82,788	\$ 94,574
Legal tender notes, silver, etc.....	10,568	6,088	2,354
Total reserves.....	\$106,641	\$ 88,876	\$ 96,928
Bills discounted:			
Secured by U. S. Government obligations.....	\$ 21,831	\$ 43,776	\$ 45,069
All other.....	41,222	71,156	32,611
Bills bought in open market.....	218	1,200	32,804
Total bills on hand.....	\$ 63,271	\$116,132	\$110,484
U. S. bonds and notes.....	1,161	1,153	1,153
U. S. certificates of indebtedness:			
One year certificates (Pittman Act).....	6,569	15,568	17,068
All other.....	203	455	170
Total earning assets.....	\$ 71,204	\$133,308	\$128,875
Bank premises.....	615	541	356
5 per cent redemption fund against Federal Reserve bank notes.....	523	623	672
Uncollected items.....	33,744	39,224	73,843
All other resources.....	760	530	420
Total resources.....	\$213,487	\$263,102	\$301,094
<b>LIABILITIES</b>			
Capital paid in.....	\$ 4,603	\$ 4,365	\$ 4,064
Surplus.....	9,388	8,346	3,724
Deposits:			
Government.....	\$ 3,802	\$ 2,618	\$ 2,353
Member bank—reserve account.....	64,613	66,903	72,283
All other.....	849	716	3,947
Total deposits.....	\$ 69,264	\$ 70,237	\$ 78,583
Federal Reserve notes in actual circulation.....	95,246	135,785	145,298
Federal Reserve bank notes in circulation—net liability....	3,923	9,487	15,499
Deferred availability items.....	30,263	34,032	53,381
All other liabilities.....	800	850	545
Total liabilities.....	\$213,487	\$263,102	\$301,094

**SCHEDULE 4.—Movement of principal asset and liability items of Federal Reserve Bank of St. Louis, including its branches, during 1921.**  
(Amounts in thousands of dollars)

Date	Bills Discounted for Member Banks in this District 1				Purchased Bills			U. S. Securities	Total Cash Reserves	Total Deposits	F. R. Notes in Circulation	Reserve Percentages :	
	Total Earning Assets (2+5+8)	Secured by U. S. Govt. Obligations		Per Cent (3÷2)	Total Held (6+7)	Bought from Other F. R. Banks	Purchased in Open Market (5-6)					Actual	Adjusted :
		Total											
1	2	3	4	5	6	7	8	9	10	11	12	13	
Jan. 7	\$123,654	\$39,597	37.4	\$606		\$606	\$17,111	\$95,287	\$69,418	\$131,697	48.2		
14	119,359	37,256	36.7	585		585	17,121	95,087	67,482	129,513	49.2		
21	122,413	40,600	38.9	948		948	17,145	91,815	68,506	126,468	47.5		
Feb. 28	117,120	38,989	40.7	1,014		1,014	17,117	95,051	68,161	125,448	49.6		
4	114,450	37,070	39.5	334		334	17,046	99,598	70,398	124,601	51.4		
11	107,511	35,205	38.4	688		688	17,430	104,993	70,403	122,847	54.6		
18	108,387	34,758	38.0	387		387	17,548	104,855	71,775	123,203	54.3		
25	107,375	33,918	38.4	964		964	17,231	103,405	68,436	122,984	54.2		
March 4	106,309	35,079	39.2	2,170	\$1,000	1,170	14,697	104,577	69,633	123,237	54.7		
11	101,636	34,753	41.0	2,111	1,000	1,111	14,816	107,182	70,418	120,351	56.6	55.2	
18	109,636	35,889	38.7	2,330	1,000	1,330	14,507	102,508	73,264	119,283	53.2	57.2	
25	109,172	37,204	40.2	2,030	1,000	1,030	14,498	98,593	67,684	115,944	51.0	53.8	
April 1	104,387	36,665	41.8	2,225	1,000	1,225	14,477	96,512	65,829	116,103	53.1	51.5	
8	100,137	34,506	42.6	1,380	50	1,330	14,251	103,494	67,005	115,111	56.8	53.7	
15	94,438	35,223	44.7	1,453		1,453	14,266	105,453	66,822	113,756	58.5	56.9	
22	96,120	34,584	43.0	784		784	14,849	101,572	66,879	112,183	57.0		
29	95,656	34,564	42.8	764		764	14,221	100,378	66,862	109,808	56.8		
May 6	93,351	34,225	43.6	575		575	14,227	103,031	66,741	110,973	58.0		
13	86,002	31,091	43.7	570		570	14,237	107,525	65,542	109,146	61.6		
18	89,252	32,040	43.0	435		435	14,261	105,871	67,645	108,600	60.1		
June 25	75,987	31,266	41.1	1,515		1,515	14,234	99,232	65,080	105,849	58.1		
1	82,250	31,761	38.6	1,528		1,528	13,225	91,893	61,954	107,875	54.1		
8	80,747	31,495	39.0	562		562	13,279	92,435	63,059	104,963	55.0		
15	77,008	30,623	39.8	372		372	22,860	90,276	67,648	104,272	52.3		
22	79,813	31,428	39.4	272		272	13,383	87,181	59,196	102,499	54.3		
29	84,045	31,782	37.8	219		219	12,913	85,805	60,847	102,669	52.3		
July 6	87,153	32,556	37.4	104		104	12,946	85,081	63,358	104,739	50.6		
13	81,472	31,133	38.2	136		136	12,709	87,286	62,210	101,750	53.2		
20	82,892	31,857	38.4	85		85	13,209	87,068	61,774	101,257	53.4		
27	94,379	31,305	38.0	230		230	12,844	87,602	63,139	99,274	53.9		
Aug. 3	93,029	29,420	37.0	340		340	13,269	92,563	65,803	99,980	55.8		
10	83,811	26,091	37.1	123		123	13,293	97,646	62,601	98,748	60.5		
17	87,322	28,100	38.1	357		357	13,151	95,513	64,106	99,298	58.5		
24	83,858	27,174	38.4	139		139	12,933	95,874	62,381	97,771	59.9		
31	86,530	27,325	37.4	437		437	12,995	93,806	61,780	98,359	58.5		

**SCHEDULE 4 (Continued).—Movement of principal asset and liability items of Federal Reserve Bank of St. Louis, including its branches, during 1921. (Amounts in thousands of dollars.)**

Date	Total Earning Assets (2+5+8)	Bills Discounted for Member Banks in this District <sup>1</sup>			Purchased Bills			U. S. Securities	Total Cash Reserves	Total Deposits	F. R. Notes in Circulation	Reserve Percentages <sup>2</sup>	
		Total	Secured by U. S. Govt. Obligations	Per Cent (3÷2)	Total (6+7)	Bought from Other F. R. Banks	Purchased in Open Market (5-6)					Actual	Adjusted <sup>3</sup>
	1	2	3	4	5	6	7	8	9	10	11	12	13
Sept. 7	86,599	73,828	28,722	38.9	374		374	12,397	93,536	64,090	98,936	57.4	
14	86,143	73,483	28,198	38.4	304		304	12,356	93,066	61,455	99,347	57.9	
21	88,238	75,291	26,867	35.7	592		592	12,355	92,434	61,872	100,215	57.0	
28	87,083	73,583	28,065	38.1	1,108		1,108	12,392	95,528	61,758	100,470	58.9	
Oct. 5	87,150	76,221	27,337	35.9	504		504	10,425	97,132	62,680	103,416	58.5	
11	87,101	77,367	25,601	38.0	247		247	10,487	107,624	64,315	103,120	64.3	
19	80,368	70,737	26,330	37.2	299		299	9,332	104,550	62,679	103,126	63.1	
26	73,905	64,304	23,522	36.6	212		212	9,389	112,471	65,478	101,972	67.2	
Nov. 2	74,032	64,780	22,843	35.3	380		380	8,872	111,639	64,768	103,145	66.5	
9	70,686	61,242	22,895	37.4	545		545	8,879	112,574	63,671	101,976	68.0	
16	76,786	66,773	24,978	37.4	1,528		1,528	8,465	109,585	64,568	102,314	65.5	
23	76,364	66,813	23,848	35.8	1,213		1,213	8,538	106,322	64,668	100,807	64.7	
30	76,799	67,349	24,948	37.0	914		914	8,536	104,578	64,730	99,940	63.5	
Dec. 7	71,980	63,178	22,008	34.8	396		396	8,406	108,542	64,335	98,196	66.8	
14	69,737	61,888	24,877	40.4	180		180	7,969	111,525	66,397	97,708	68.0	
21	75,759	67,260	24,759	36.8	382		382	8,117	104,697	65,763	97,746	64.0	
28	74,298	66,029	23,533	35.6	148		148	8,121	103,151	66,607	96,554	63.2	

<sup>1</sup>No bills were discounted for or with other Federal Reserve banks.

<sup>2</sup>Prior to March 18, net deposits, as given below were used in calculating reserve percentages:

Jan. 7	\$65,819,000	Feb. 4	\$68,994,000	Mar. 4	\$67,927,000
14	63,672,000	11	69,500,000	11	68,934,000
21	66,781,000	18	70,007,000		
28	65,996,000	25	67,817,000		

<sup>3</sup>Adjusted percentages are calculated after increasing or reducing reserves held by the amount of accommodation extended to or received from other Federal Reserve banks. A blank (....) in this column indicates that no accommodation was extended to or received from other Federal Reserve banks.



SCHEDULE 5.—Paper discounted for member banks by the Federal Reserve Bank of St. Louis and its branches.

Classes of Paper Discounted					Totals for 1921		Totals for 1920	
					Little Rock Branch	Memphis Branch	Louisville Branch	St. Louis Parent Bank
Member banks' collateral notes secured by U. S. Government obligations.....					\$91,546,392.01	\$93,173,098.75	\$304,077,955.03	\$467,639,135.54
Member banks' collateral notes otherwise secured.....					.....	.....	.....	567,750.00
Customers' paper secured by U. S. Government obligations.....					2,892,141.95	12,281,102.00	9,615,414.87	13,313,990.72
Agricultural and live stock paper.....					12,310,201.18	23,763,490.64	1,407,214.98	14,710,508.56
Trade acceptances.....					1,493,911.44	1,949,458.20	3,465,485.36	1,351,859.54
Bankers' acceptances.....					2,561,291.31	272,051.11	1,961,039.08	3,179,288.03
Other discounts.....					30,275,747.97	83,233,120.66	45,017,732.85	389,302,724.37
Totals for 1921.....					\$141,079,685.86	\$215,454,134.12	\$382,424,862.17	\$890,065,256.76
Totals for 1920.....					151,484,929.14	264,222,585.86	434,793,549.61	1,587,539,649.00

Total Paper Discounted by Months and States					Missouri		Tennessee		Totals	
					Illinois	Indiana	Kentucky	Mississippi	Missouri	Tennessee
January.....	\$ 17,410,553.44	\$ 7,366,156.34	\$ 3,154,442.32	\$ 17,516,846.44	\$ 2,386,357.66	\$ 81,808,059.34	\$ 14,597,904.34	\$ 14,597,904.34	\$ 14,597,904.34	\$ 14,597,904.34
February.....	15,271,297.88	6,036,030.94	2,568,762.49	16,635,530.33	2,409,813.37	67,397,774.77	11,330,926.04	11,330,926.04	11,330,926.04	11,330,926.04
March.....	17,822,947.29	9,581,977.52	3,833,878.69	21,155,109.30	2,994,171.45	84,095,839.05	14,934,040.13	14,934,040.13	14,934,040.13	14,934,040.13
April.....	14,796,746.93	9,998,696.93	2,098,028.60	29,539,075.56	2,702,190.48	62,492,480.34	12,651,687.37	12,651,687.37	12,651,687.37	12,651,687.37
May.....	13,753,849.47	8,848,279.67	2,600,705.64	25,633,442.27	2,302,445.43	75,784,576.77	10,282,375.99	10,282,375.99	10,282,375.99	10,282,375.99
June.....	16,443,507.82	8,783,279.48	2,979,197.27	31,444,118.68	2,804,282.55	73,324,325.91	11,502,256.96	11,502,256.96	11,502,256.96	11,502,256.96
July.....	14,795,521.27	7,827,812.49	2,145,917.28	40,391,230.11	1,940,377.39	57,211,451.86	9,765,979.98	9,765,979.98	9,765,979.98	9,765,979.98
August.....	15,592,386.26	7,925,920.53	1,163,322.96	31,976,879.28	2,373,947.06	46,219,102.32	12,690,867.11	12,690,867.11	12,690,867.11	12,690,867.11
September.....	14,300,047.42	7,541,850.56	1,675,910.44	37,715,438.29	2,105,622.88	52,579,952.64	13,402,425.58	13,402,425.58	13,402,425.58	13,402,425.58
October.....	13,502,020.06	8,729,514.45	2,507,995.88	33,002,576.26	1,891,148.48	49,246,450.66	12,348,872.62	12,348,872.62	12,348,872.62	12,348,872.62
November.....	19,165,225.30	8,251,751.06	2,245,586.43	40,462,433.44	2,467,758.42	52,668,649.09	21,796,039.74	21,796,039.74	21,796,039.74	21,796,039.74
December.....	13,655,129.67	7,486,109.60	2,042,068.10	27,840,825.91	2,705,331.45	51,831,169.21	14,454,122.49	14,454,122.49	14,454,122.49	14,454,122.49
Totals for 1921.....					\$353,313,505.87	\$29,083,446.62	\$ 754,739,831.96	\$159,757,498.35	\$1,609,923,935.91	\$1,609,923,935.91
Totals for 1920.....					426,245,095.16	18,705,531.06	1,407,879,097.63	216,786,209.76	2,438,040,713.61	2,438,040,713.61

Number member banks 12-31-21....					Totals for 1921		Totals for 1920				
					119	181	61	67	18	116	26
Different banks discounting during 1921.....					103	105	33	45	15	66	23
Different banks discounting during 1920.....					94	103	30	45	11	82	21

SCHEDULE 6.—*Bankers' acceptances purchased by Federal Reserve Bank of St. Louis and its branches.*

	By St. Louis Parent Bank from Member Banks	By St. Louis Parent Bank from Dealers	By Louisville Branch from Members	By Memphis Branch from Members	By Little Rock Branch from Members	From Other Federal Reserve Banks	Totals
January.....	\$1,308,334.00	\$1,308,334.00					\$1,308,334.00
February.....	\$594,999.00	977,410.26				\$1,000,059.27	2,572,468.53
March.....	209,998.65	1,389,985.09					1,599,983.74
April.....	37,390.63	1,775,676.69					1,813,067.32
May.....		2,262,821.61					2,262,821.61
June.....	20,000.00	927,230.14					2,947,230.14
July.....		755,839.23					755,839.23
August.....	20,000.00	1,167,430.38					1,187,430.38
September.....		2,626,452.04		\$24,882.92			2,651,334.96
October.....		750,730.53		3,217.79			753,948.32
November.....		4,102,706.84		9,936.51	\$10,639.60		4,113,346.44
December.....	26,600.00	1,176,100.66			9,095.67		1,221,732.84
Totals for 1921.....	\$908,988.28	\$19,220,717.47		\$38,037.22	\$19,735.27		\$21,187,537.51
Totals for 1920.....	19,228,592.68	14,950,276.09	1,717,115.90	123,632.79		\$1,000,059.27	36,019,617.46

SCHEDULE 7.—*Discount rates of Federal Reserve Bank of St. Louis during 1921.*

	In effect:	January 1	January 22	May 21	November 3
Member banks' 15-day collateral notes: Secured by certificates of indebtedness bearing less than 5½ % Secured by 5¼ % certificates of indebtedness Secured by certificates of indebtedness bearing more than 5¼ % Secured by Liberty Bonds or Victory Notes Secured by bills receivable Secured by bills receivable or bonds or notes of the U. S., except Liberty Bonds or Victory Notes		5½ % 5¼ % 5½ % 5½ % 6 %	5½ % 6 %		
Secured by bills receivable or bonds or notes of the U. S.			6 %	6 %	5 %
Rediscounts: Secured by certificates of indebtedness bearing less than 5¼ % Secured by 5¼ % certificates of indebtedness Secured by certificates of indebtedness bearing more than 5¼ % Secured by Liberty Bonds or Victory Notes Secured by bonds or notes of the U. S., except Liberty Bonds or Victory Notes		5½ % 5¼ % 5½ % 5½ %	5½ % 6 %	6 % 6 % 6 % 5½ %	5 % 5 % 5 % 5 %
Secured by bonds or notes of the U. S.		6 %	6 %	6 %	6 %
Commercial paper.....					
Agricultural or live stock paper.....					
Trade acceptances.....					
Bankers' acceptances.....					
Bankers' acceptances, purchased in the market, subject to agreement.					

**SCHEDULE 8.—Federal Reserve notes issued by Federal Reserve Agent to Federal Reserve Bank of St. Louis.**

	Fives	Tens	Twenties	Fifties	Hundreds
January.....	\$ 1,000,000		\$ 500,000	\$ 200,000	\$ 400,000
February.....	1,900,000	\$ 2,640,000	3,220,000	400,000	400,000
March.....	2,500,000	1,360,000	960,000		
April.....	1,600,000	1,720,000	800,000		
May.....	3,200,000	800,000		400,000	400,000
June.....	1,700,000	2,200,000	1,200,000		
July.....	2,700,000	2,200,000	2,080,000		
August.....	3,600,000	1,400,000	2,640,000		
September.....	3,900,000	5,160,000	4,640,000	600,000	
October.....	2,500,000	2,400,000	1,760,000		
November.....	500,000	2,200,000	2,000,000	800,000	
December.....			2,080,000		
Totals for 1921.....	\$25,100,000	\$22,080,000	\$21,880,000	\$2,400,000	\$1,200,000
Totals for 1920.....	32,560,000	34,560,000	31,400,000	4,150,000	2,100,000

	Five Hundreds	One Thousands	Five Thousands	Ten Thousands	Totals
January.....	\$100,000	\$ 400,000	\$200,000	\$300,000	\$ 3,100,000
February.....	100,000	300,000		100,000	9,060,000
March.....					4,820,000
April.....					4,120,000
May.....	400,000	400,000			5,600,000
June.....					5,100,000
July.....					6,980,000
August.....					7,640,000
September.....					14,300,000
October.....					6,660,000
November.....					5,500,000
December.....					2,080,000
Totals for 1921.....	\$600,000	\$1,100,000	\$200,000	\$400,000	\$ 74,960,000
Totals for 1920.....	600,000	900,000	100,000	100,000	106,470,000

**SCHEDULE 9.—Federal Reserve notes outstanding December 31, 1920, issued, returned and redeemed during 1921 and outstanding December 31, 1921.**

	Outstanding December 31, 1920	Issued and Re-issued	Fit Notes Returned by Bank	Unfit Notes Redeemed	Outstanding December 31, 1921
Fives.....	\$ 32,735,235	\$ 25,100,000	\$ 200,000	\$ 33,856,250	\$ 23,778,985
Tens.....	44,667,520	22,080,000	1,600,000	34,700,220	30,447,300
Twenties.....	59,016,280	21,880,000	3,000,000	35,755,020	42,141,260
Fifties.....	9,655,850	2,400,000	400,000	4,072,550	7,583,300
Hundreds.....	6,295,000	1,200,000	400,000	1,688,400	5,406,600
Five Hundreds.....	903,500	600,000		154,000	1,354,500
One thousands.....	1,723,000	1,100,000		242,000	2,581,000
Five thousands.....	150,000	200,000			350,000
Ten thousands.....	240,000	400,000		180,000	460,000
Totals for 1921.....		\$ 74,960,000	\$5,600,000	\$110,648,440	*\$114,102,945
Totals for 1920.....	\$155,391,385	106,470,000	3,350,000	112,447,570	

\*\$17,775,195 of Federal Reserve notes were held by the Federal Reserve Bank of St. Louis and its branches and \$1,081,550 were in transit to Washington for redemption, leaving \$95,246,200 in actual circulation at end of year.



SCHEDULE 10.—*Comparative statement of Federal Reserve Agent's accounts.*

RESOURCES	December 31, 1921	December 31, 1920
Federal Reserve notes on hand	\$ 26,060,000.00	\$ 23,780,000.00
Federal Reserve notes outstanding.....	114,102,945.00	155,391,385.00
Discounted paper pledged to secure Federal Reserve notes	63,240,311.84	116,079,990.83
Gold deposit to secure Federal Reserve notes—		
In hands of Federal Reserve Agent.....	\$5,960,000.00	\$6,060,000.00
In Federal Reserve Agents fund at Washington.....	57,100,000.00	39,530,600.00
In gold redemption fund at Washington.....	3,098,105.00	3,746,545.00
	66,158,105.00	49,337,145.00
Unfit notes redeemed and destroyed by Comptroller (total).....	336,477,055.00	225,828,615.00
Totals.....	\$606,038,416.84	\$570,417,135.83
LIABILITIES		
Federal Reserve notes received from Comptroller (gross).....	\$476,640,000.00	\$405,000,000.00
Collateral received from Federal Reserve Bank—		
Discounted paper.....	63,240,311.84	116,079,990.83
Gold.....	66,158,105.00	49,337,145.00
Totals.....	\$606,038,416.84	\$570,417,135.83

SCHEDULE 11.—*Federal Reserve notes received from other Federal Reserve Banks for redemption or credit and returned to other Federal Reserve Banks for redemption or credit by Federal Reserve Bank of St. Louis, including its branches.*

Federal Reserve Bank of—	Received from	Returned to
Boston.....	\$ 850,050	\$ 1,244,030
New York.....	8,063,750	5,991,280
Philadelphia.....	1,147,850	1,805,330
Cleveland.....	6,695,650	8,467,550
Richmond.....	1,426,540	2,044,605
Atlanta.....	10,976,115	6,997,995
Chicago.....	17,469,850	34,665,780
Minneapolis.....	1,023,150	1,336,610
Kansas City.....	7,519,400	9,536,315
Dallas.....	4,003,900	5,004,375
San Francisco.....	2,549,845	2,533,995
Totals for 1921.....	\$61,726,100	\$79,627,865
Totals for 1920.....	59,593,580	95,669,985

SCHEDULE 12.—*Federal Reserve Bank notes outstanding December 31, 1920, issued and redeemed during 1921 and outstanding December 31, 1921.*

	Outstanding Dec. 31, 1920	New Notes Issued to Replace Unfit Notes Redeemed	Unfit Notes Redeemed	Outstanding Dec. 31, 1921
Ones.....	\$4,690,152	\$4,240,000	\$5,895,000	\$3,035,152
Twos.....	1,709,698	1,464,000	2,296,000	877,698
Fives.....	2,578,250	420,000	2,406,000	592,250
Tens.....	152,200		91,000	61,200
Twenties.....	285,700		164,500	121,200
Fifties.....	192,600		67,500	125,100
			10,920,000	4,812,600
Denominations unadvised.....			735,000	735,000
Totals for 1921.....		\$ 6,124,000	\$11,655,000	\$ 4,077,600*
Totals for 1920.....	\$9,608,600	11,880,000	18,879,400	

\*\$154,171 of Federal Reserve Bank notes were held by the Federal Reserve Bank of St. Louis and its branches, leaving \$3,923,429 of bank notes in actual circulation at end of year.

# RECEIPTS FROM

# PAYMENTS TO

	RECEIPTS FROM			PAYMENTS TO		
	Members	Non-members	Totals	Members	Non-members	Totals
St. Louis parent bank.....	\$287,598,682.87	\$22,197,574.33	\$309,796,257.20	\$203,569,706.31	\$25,284,558.63	\$228,854,264.94
Louisville branch.....	79,242,509.75	1,382,068.32	80,624,578.07	60,156,245.00	1,294,938.88	61,451,183.88
Memphis branch.....	41,972,717.00	5,759,747.00	47,732,464.00	35,494,130.00	12,350,129.00	47,844,259.00
Little Rock branch.....	24,078,586.00	5,928,977.00	30,007,563.00	23,232,836.00	4,321,400.00	27,554,236.00
Totals for 1921.....	\$432,892,495.62	\$35,268,366.65	\$468,160,862.27	\$322,452,917.31	\$43,251,026.51	\$365,703,943.82
Totals for 1920.....	412,140,884.27	31,285,903.89	443,426,788.16	344,456,290.43	25,878,107.69	370,334,398.12

SCHEDULE 14.—Clearing items handled by Federal Reserve Bank of St. Louis and its branches.

	St. Louis Parent Bank			Louisville Branch			Memphis Branch			Little Rock Branch			Totals	
Classes of Items Handled	Number	Amount		Number	Amount		Number	Amount		Number	Amount		Number	Amount
Checks on local banks.....	3,122,982	\$2,444,861.775		1,093,424	\$643,207,858	\$	839,131	\$330,039,580		523,092	\$264,271,083		5,578,559	\$3,682,380,296
Checks on other banks in this district	15,579,574	977,449,846		4,589,614	271,875,775		1,888,390	116,949,205		3,257,243	201,744,038		25,314,821	1,568,018,864
Checks and Warrants on U. S. Treas.	1,440,360	133,292,606		369,012	38,374,879		116,074	15,974,529		86,586	14,415,780		2,012,032	202,057,794
Totals for 1921, without duplications	20,142,916	\$3,555,604,227		6,052,050	\$953,458,512		2,843,595	\$462,963,314		3,866,851	\$480,430,901		32,905,412	\$5,452,456,954
Checks on banks in other districts	386,757	63,740,202		127,882	20,189,709		20,660	4,507,117		92,996	14,248,822		628,295	102,685,850
Checks handled by Parent Bank and Branches.....	109,012	12,392,447		30,011	3,240,859		32,768	4,189,211		292,280	30,499,180		464,071	50,321,677
Totals for 1921, including duplications	20,638,685	\$3,631,736,876		6,209,943	\$976,889,080		2,897,023	\$471,659,642		4,252,127	\$525,178,903		33,997,778	\$5,605,464,501
Total Items Handled by Months														
January.....	1,543,039	\$334,689,339		443,411	\$84,033,102		210,866	\$41,887,781		338,009	\$45,216,696		2,535,325	\$505,826,918
February.....	1,450,250	279,043,094		437,411	71,678,556		200,871	35,067,675		315,747	40,085,408		2,102,813	425,874,733
March.....	1,889,583	351,181,944		589,552	94,300,914		258,674	38,809,585		384,297	47,105,713		3,122,036	531,398,156
April.....	1,702,056	286,586,357		545,145	83,612,246		229,476	34,610,543		346,629	42,152,027		2,823,305	446,971,173
May.....	1,609,034	275,938,814		507,842	76,848,368		220,359	31,437,108		340,341	40,850,559		2,677,376	425,124,846
June.....	1,717,072	295,062,139		523,544	82,159,398		236,616	33,356,925		336,859	40,413,767		2,814,091	450,994,169
July.....	1,594,311	264,136,774		482,086	76,252,029		211,442	28,501,414		313,980	36,967,121		2,603,819	405,847,335
August.....	1,712,080	289,303,571		502,491	76,384,033		218,773	29,949,023		323,236	35,895,228		2,756,880	431,531,855
September.....	1,744,052	322,916,110		511,016	80,837,510		236,732	38,783,647		347,733	44,999,610		2,839,533	462,836,871
October.....	1,890,963	322,900,075		552,611	83,153,837		289,744	56,249,867		408,244	54,857,102		3,141,562	517,160,881
November.....	1,809,864	310,273,734		530,712	77,081,182		285,260	53,172,527		371,281	49,438,718		3,017,117	489,966,161
December.....	1,976,381	324,344,925		584,122	90,547,908		298,211	49,333,547		403,807	47,205,014		3,262,521	511,931,394
Totals for 1921, including duplications	20,638,685	\$3,631,736,876		6,209,943	\$976,889,080		2,897,023	\$471,659,642		4,252,127	\$525,178,903		33,997,778	\$5,605,464,501
Totals for 1920, including duplications	19,408,867	4,966,077,918		5,392,887	1,279,433,462		2,856,571	710,828,426		4,032,243	695,260,330		31,690,568	7,644,600,136

**SCHEDULE 15.—Collection items handled by Federal Reserve Bank of St. Louis and its branches.**

Month	St. Louis Parent Bank		Louisville Branch		Memphis Branch		Little Rock Branch		Totals	
	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount
January.....	7,487	\$11,674,366.02	1,793	\$2,349,548.60	1,335	\$1,461,262.67	812	\$911,353.88	11,427	\$16,396,531.17
February.....	6,418	11,429,135.03	1,515	1,887,076.11	1,272	1,406,264.06	736	809,233.50	9,941	13,331,729.00
March.....	6,762	14,133,814.58	1,618	2,222,195.78	1,389	1,311,107.73	867	729,371.66	10,636	18,396,489.75
April.....	6,026	9,531,594.00	1,648	2,251,808.44	1,293	1,201,052.74	790	692,821.42	9,757	13,677,221.60
May.....	6,387	8,406,724.80	1,802	3,133,132.22	1,398	1,312,845.59	942	790,907.06	10,499	13,783,609.87
June.....	6,789	8,402,514.28	1,868	2,358,967.24	1,167	1,135,821.02	952	763,542.10	9,276	12,560,944.54
July.....	6,163	8,880,345.88	1,716	2,876,842.62	1,304	1,136,605.62	1,107	675,635.56	10,290	13,569,429.58
August.....	6,376	8,825,588.13	1,270	2,556,046.37	1,170	1,087,474.21	1,107	763,260.84	9,923	13,212,370.15
September.....	6,492	11,745,530.39	1,086	1,524,072.07	1,431	1,776,903.67	1,472	910,173.24	12,663	15,956,679.37
October.....	8,059	13,355,186.75	1,465	1,686,923.24	1,911	2,897,905.10	1,472	1,876,488.91	12,907	19,816,504.00
November.....	8,016	12,851,151.06	1,590	1,427,815.28	1,631	2,035,193.57	1,226	1,303,391.43	12,463	17,617,561.34
December.....	8,639	13,631,451.04	1,757	2,737,123.48	1,754	2,021,911.89	1,420	1,394,768.89	13,570	19,785,155.30
Totals for 1921.....	82,574	\$133,007,361.96	18,628	\$26,711,547.35	17,065	\$18,764,347.87	12,685	\$11,620,968.49	*130,952	*\$190,104,225.67
Totals for 1920.....	52,306	105,469,597.56	14,940	27,559,504.99	16,649	32,571,303.91	6,698	15,248,496.95	*90,593	*180,848,903.41

\*During 1921, 12,808 items aggregating \$12,577,396.96 were returned unpaid; during 1920, 8,919 items amounting to \$13,236,686.64 were returned unpaid.

**SCHEDULE 16.—Coupons from United States securities handled by Federal Reserve Bank of St. Louis, including its branches.**

Month	Government Bonds		Certificate of Indebtedness		Philippine C. of I.'s		Treasury Notes		Totals	
	Pieces	Amount	Pieces	Amount	Pieces	Amount	Pieces	Amount	Pieces	Amount
January.....	404,346	\$1,280,093.68	1,259	\$48,995.51	1	\$100.00	405,606	\$1,330,189.19	405,606	\$1,330,189.19
February.....	178,511	501,375.74	2,710	106,571.93	8	800.00	181,229	608,747.67	181,229	608,747.67
March.....	428,311	1,818,960.72	12,396	615,862.85	3	300.00	440,710	2,435,123.57	440,710	2,435,123.57
April.....	619,908	3,510,925.31	8,074	105,639.99	1	100.00	622,983	3,617,714.80	622,983	3,617,714.80
May.....	446,923	2,473,236.35	4,589	232,220.76	13	1,300.00	451,475	2,706,757.11	451,475	2,706,757.11
June.....	615,203	3,505,337.32	13,636	586,699.64	1	100.00	628,840	4,392,136.96	628,840	4,392,136.96
July.....	243,634	921,899.89	7,421	315,405.71	19	1,900.00	251,055	1,237,305.80	251,055	1,237,305.80
August.....	127,680	399,675.52	6,463	219,928.76	19	1,900.00	133,162	621,504.38	133,162	621,504.38
September.....	364,283	1,659,229.20	13,337	617,772.52	16	790.00	377,620	2,277,001.72	377,620	2,277,001.72
October.....	601,538	3,653,662.48	9,402	377,069.87	16	790.00	610,940	4,030,732.35	610,940	4,030,732.35
November.....	430,476	2,433,744.46	4,007	244,726.12	38	380.00	434,483	2,679,250.58	434,483	2,679,250.58
December.....	659,217	3,500,539.25	12,072	761,815.42	38	380.00	678,155	\$206,051.68	678,155	\$206,051.68
Totals for 1921.....	5,120,030	\$25,659,680.02	89,316	\$4,533,758.68	100	\$5,770.00	6,828	\$206,051.68	5,216,274	\$30,405,260.28
Totals for 1920.....	3,332,306	15,332,306.00	12,072	761,815.42	38	380.00	678,155	\$206,051.68	3,332,306	\$28,606,861.67



SCHEDULE 17.—Total debits and credits of Federal Reserve Bank of St. Louis through Gold Settlement Fund in Washington for each week during 1921 and the balance to its credit on the dates shown.

For Week Ending	Total Debits (Receipts)	Total Credits (Disbursements)	Credit Balance of Federal Reserve Bank of St. Louis
Dec. 30, 1920.....			\$ 21,852,704.38
Jan. 7, 1921.....	\$ 113,553,848.25	\$ 110,894,596.03	24,511,956.60
14.....	95,454,888.44	96,267,943.54	23,698,901.50
21.....	96,265,102.64	98,837,612.47	21,126,391.67
28.....	91,250,099.49	87,144,427.99	25,232,063.17
Feb. 4.....	90,045,101.23	84,934,931.16	30,342,233.24
11.....	93,460,799.09	98,277,208.86	25,525,823.47
18.....	86,207,264.56	85,172,233.84	26,560,854.19
25.....	82,415,724.22	83,780,642.09	25,195,936.32
March 4.....	93,908,542.45	92,928,000.55	26,176,478.22
11.....	94,715,931.88	94,588,294.25	26,304,115.85
18.....	97,758,195.12	102,649,781.97	21,412,529.00
25.....	91,963,629.28	94,974,781.57	18,401,376.71
April 1.....	84,559,929.36	82,104,114.10	20,857,191.97
8.....	86,848,076.99	80,519,756.01	27,185,512.95
15.....	94,418,928.00	101,239,636.09	20,364,804.86
22.....	93,528,727.43	94,071,545.91	19,821,986.38
27.....	53,653,555.06	54,630,124.44	13,845,417.00
May 4.....	84,515,217.29	81,459,472.41	21,901,161.88
11.....	85,071,049.03	83,124,966.78	23,847,244.13
18.....	92,095,161.43	95,358,484.77	20,583,920.79
25.....	78,765,634.07	85,293,660.25	14,055,894.61
June 1.....	74,296,126.51	73,560,838.09	14,791,183.03
8.....	86,818,397.12	81,179,416.17	20,430,163.98
15.....	83,595,991.17	87,624,552.66	16,401,602.49
22.....	89,143,287.04	91,647,918.64	13,901,970.89
29.....	76,398,820.73	76,601,688.89	13,699,102.73
July 6.....	66,912,464.73	63,419,734.35	17,191,833.11
13.....	74,979,311.28	75,619,104.17	16,552,040.22
20.....	84,305,896.20	84,443,505.78	16,414,430.64
27.....	74,314,393.23	73,759,784.43	16,969,039.44
Aug. 3.....	77,901,649.68	72,738,147.78	22,132,541.34
10.....	78,336,239.53	80,125,399.19	20,343,381.68
17.....	79,252,454.74	81,257,565.91	18,338,270.51
24.....	77,650,687.06	77,251,301.56	18,737,656.01
31.....	73,507,187.18	75,457,181.26	16,787,661.93
Sept. 7.....	62,120,531.73	62,297,942.39	16,610,251.27
14.....	82,000,471.12	82,371,996.05	16,238,726.34
21.....	101,023,717.50	103,739,230.45	13,528,213.39
28.....	91,015,247.40	87,427,091.63	17,116,369.16
Oct. 5.....	98,143,333.51	95,743,565.97	19,516,136.70
11.....	90,259,819.10	86,100,309.93	23,675,645.87
19.....	119,559,816.18	121,848,058.33	21,387,403.72
26.....	104,740,491.52	100,456,873.35	25,671,021.89
Nov. 1.....	94,920,848.09	95,712,741.28	24,879,128.70
8.....	95,758,382.83	94,683,778.22	25,953,733.31
16.....	88,784,994.80	91,611,366.49	23,127,361.62
23.....	99,560,609.71	103,691,467.51	18,996,503.82
30.....	80,839,316.91	82,360,605.72	17,475,215.01
Dec. 7.....	93,349,627.70	88,427,834.67	22,397,008.04
14.....	87,322,089.50	84,358,135.99	25,360,961.55
21.....	102,973,024.61	106,978,209.19	21,355,776.97
28.....	75,381,448.39	76,009,051.31	20,728,174.05
Totals for 1921.....	\$4,545,632,082.11	\$4,546,756,612.44	
Totals for 1920.....	6,629,605,118.05	6,621,126,196.45	

SCHEDULE 18.—*National banks granted fiduciary powers during 1921 under section 11 (k) of the Federal Reserve Act, as amended September 26, 1918.*

First National Bank.....	Eldorado, Ark.
First National Bank.....	Fort Smith, Ark.
Exchange National Bank.....	Little Rock, Ark.
First National Bank.....	Breese, Ill.
Carlinville National Bank.....	Carlinville, Ill.
First National Bank.....	Carlyle, Ill.
First National Bank.....	Mayfield, Ky.
First National Bank.....	Murray, Ky.
First National Bank.....	Greenwood, Miss.

*National banks granted additional fiduciary powers under the amendment of September 26, 1918, to Section 11 (k) of the Federal Reserve Act.*

First National Bank.....	Mount Vernon, Ind.
Henderson National Bank.....	Henderson, Ky.

SCHEDULE 19.—*Banks admitted to membership in Federal Reserve Bank of St. Louis, banks surrendering memberships and banks changing their names during 1921.*

NEW NATIONAL BANK MEMBERS

Name	Location	Paid-in Capital When Admitted	Surplus When Admitted
Centralia National Bank.....	Centralia, Ill.....	\$100,000	\$ 20,000
City National Bank.....	Centralia, Ill.....	100,000	20,000
First National Bank.....	Coulterville, Ill.....	25,000	15,000
First National Bank.....	Woodriver, Ill.....	50,000	5,000
Rosedale National Bank.....	Rosedale, Miss.....	85,000	
First National Bank.....	Cardwell, Mo.....	25,000	
National City Bank.....	St. Louis, Mo.....	1,000,000	
Republic National Bank.....	St. Louis, Mo.....	800,000	160,000
Security National Bank Savings and Trust Co.....	St. Louis, Mo.....	250,000	50,000

STATE BANKS AND TRUST COMPANIES ADMITTED TO MEMBERSHIP

Name	Location	Capital and Surplus When Admitted	Total Resources When Admitted
Farmers State Bank.....	Conway, Ark.....	\$ 70,000	\$ 324,333
Bank of Commerce.....	Earle, Ark.....	180,000	902,479
Bank of Eastern Arkansas.....	Forrest City, Ark.....	100,000	743,126
Bank of Marvel.....	Marvel, Ark.....	58,000	306,760
Arkansas Bank & Trust Co.....	Newport, Ark.....	235,000	1,249,664
Peoples Savings Bank & Trust Co.....	Pine Bluff, Ark.....	150,000	1,075,115
Bank of Waldron.....	Waldron, Ark.....	80,000	324,015
First State Bank.....	O'Fallon, Ill.....	30,000	43,443
Grenada Bank.....	Grenada, Miss.....	569,000	8,025,071
Citizens Bank.....	Tunica, Miss.....	102,500	1,188,615
Citizens Bank.....	Cabool, Mo.....	50,000	500,040
Lemay Ferry Bank.....	Luxemburg, Mo.....	35,000	863,364
Pine Lawn Bank.....	Pine Lawn, Mo.....	33,000	75,422
Bank of Henning.....	Henning, Tenn.....	32,500	302,575

BANKS SURRENDERING THEIR MEMBERSHIPS

Name	Location	Disposition
Citizens National Bank.....	Eldorado, Ark.....	Consolidated
Arkansas National Bank.....	Marshall, Ark.....	Liquidated
United States National Bank.....	Owensboro, Ky.....	Liquidated
Allen County National Bank.....	Scottsville, Ky.....	Liquidated
First National Bank.....	Cabool, Mo.....	Liquidated
Central National Bank.....	St. Louis, Mo.....	Liquidated

MEMBER BANKS CHANGING THEIR TITLES

Name	Location	New Name
Union Trust & Savings Bank.....	East St. Louis, Ill.....	Union Trust Co.
First National Bank.....	St. Francisville, Ill.....	Peoples National Bank
Louisville National Banking Co.....	Louisville, Ky.....	Louisville National Bank
Liberty Bank.....	St. Louis, Mo.....	Liberty Central Trust Co.

**SCHEDULE 20.—United States Treasury certificates of indebtedness and Treasury notes offered and subscriptions to each issue handled by Federal Reserve Bank of St. Louis.**

Description	Date of Issue	Maturity	Rate	Total Offering	Quota for District	Subscriptions	Allotments
Loan Certificates	January 15, 1921	April 15, 1921	5½%	\$250,000,000	\$10,000,000	\$ 7,204,500	\$4,981,500
"	February 15, 1921	October 15, 1921	5½			9,768,000	5,760,500
"	March 15, 1921	July 15, 1921	5½	100,000,000	4,000,000	13,680,500	6,511,500
Tax Certificates		September 15, 1921	5½	400,000,000	16,000,000	4,705,000	4,705,000
"		March 15, 1922	5½			8,574,000	8,574,000
Loan Certificates	April 15, 1921	October 15, 1921	5½	150,000,000	6,000,000	18,533,000	8,512,000
"	May 16, 1921	February 16, 1922	5½	200,000,000	8,000,000	26,315,500	10,797,500
Tax Certificates	June 15, 1921	June 15, 1922	5½	500,000,000	20,000,000	16,664,500	12,701,500
"	August 1, 1921	June 15, 1924	5½			9,940,100	9,740,100
Tax Certificates		March 15, 1922	5½	300,000,000	12,000,000	5,829,500	3,695,000
"	September 15, 1921	August 1, 1922	5½			14,900,500	9,233,500
Loan Certificates	"	March 15, 1922	5½	600,000,000	24,000,000	15,206,500	6,145,500
"	"	September 15, 1924	5½			9,409,500	3,035,500
Tax Certificates	November 1, 1921	September 15, 1922	4½	200,000,000	8,000,000	17,904,100	16,212,500
"	December 15, 1921	April 1, 1922	4½			17,352,000	6,638,500
"	"	June 15, 1922	4½	250,000,000	10,000,000	6,429,500	2,218,500
"	"	December 15, 1922	4½			6,209,000	2,411,500
Totals for 1921				\$2,950,000,000	\$118,000,000	\$231,774,200	\$130,485,600
Totals for 1920				3,950,000,000	158,000,000	136,066,500	128,934,500

**SCHEDULE 21.—United States Treasury certificates of indebtedness redeemed by Federal Reserve Bank of St. Louis and its branches.**

	Cash Redemptions	Applied on Subscriptions to Certificates and Treasury Notes	Totals
St. Louis parent bank	\$81,059,500	\$7,477,000	\$88,536,500
Louisville branch	15,741,500		15,741,500
Memphis branch	1,976,000		1,976,000
Little Rock branch	1,655,000		1,655,000
Totals for 1921	\$100,432,000	\$7,477,000	\$107,909,000
Totals for 1920	200,249,000	11,588,000	211,837,000



**SCHEDULE 22.—Exchanges and conversions of Liberty Bonds and Victory Notes handled by Federal Reserve Bank of St. Louis and its branches during 1921.**

	Temporary Coupon Bonds Exchanged for Permanent Coupon Bonds				Coupon Bonds Exchanged for Registered Bonds			
	Pieces Received	Par Amount	Pieces Delivered	Par Amount	Pieces Received	Par Amount	Pieces Delivered	Par Amount
First 3½% .....								
First Temp. 4% .....	48	\$ 3,400	41	\$ 3,100	587	\$433,700	148	\$455,200
First Perm. 4% .....					6	350	8	500
First Temp. 4½% .....	5,469	881,650	4,936	915,200	199	22,250	194	51,250
First Perm. 4½% .....					1,101	361,500	768	374,000
First 2nd Conv. 4¼% .....	100	15,550	118	16,750	1	50	4	350
Second Temp. 4% .....	592	42,050	513	39,600	24	2,000	31	2,500
Second Perm. 4% .....					6	850	6	850
Second Temp. 4½% .....	20,322	3,192,550	17,864	3,310,550	663	93,550	730	165,400
Second Perm. 4½% .....					6,749	2,256,050	4,464	2,518,650
Third Temp. 4¼% .....	62,587	5,476,050	54,623	5,627,450	3,021	289,500	2,976	358,200
Third Perm. 4¼% .....					17,045	3,785,500	10,248	4,102,500
Fourth Temp. 4¼% .....	816,182	166,126,150	787,335	200,378,650	24,648	4,879,550	20,797	6,500,350
Fourth Perm. 4¼% .....					18,317	5,618,250	9,423	5,290,050
Victory Notes 4¾% .....					13,513	3,447,600	8,047	3,784,450
Victory Notes 3¾% .....					2	2,000		2,000
Totals .....	905,300	\$175,737,400	865,430	\$210,291,300	85,882	\$21,192,700	57,846	\$23,606,750

	Registered Bonds Exchanged for Coupon Bonds				Registered Bonds Transferred			
	Pieces Received	Par Amount	Pieces Delivered	Par Amount	Pieces Received	Par Amount	Pieces Delivered	Par Amount
First 3½% .....								
First Temp. 4% .....	51	\$373,000	289	\$273,000	25	\$66,700	30	\$91,800
First Perm. 4% .....								
First Temp. 4½% .....	1	100						
First Perm. 4½% .....								
First 2nd Conv. 4¼% .....	353	188,400	357	174,250	273	136,150	245	135,050
Second Temp. 4% .....	8	7,900	8	7,900				
Second Perm. 4% .....								
Second Temp. 4½% .....	26	4,200	15	3,000				
Second Perm. 4½% .....								
Third Temp. 4¼% .....	1,600	766,950	1,518	667,400	1,087	580,300	903	532,550
Third Perm. 4¼% .....								
Fourth Temp. 4¼% .....	4,450	1,256,700	3,989	1,117,800	2,782	859,850	2,377	808,450
Fourth Perm. 4¼% .....								
Fourth Temp. 4¾% .....	7,961	2,825,900	7,758	2,638,100	5,033	1,522,800	3,992	1,467,600
Fourth Perm. 4¾% .....					1,670	817,800	1,570	827,400
Victory Notes 4¾% .....	3,196	1,650,250	3,101	1,620,250				
Victory Notes 3¾% .....	9	75,000	5	40,000				
Totals .....	17,655	\$7,148,400	17,040	\$6,441,700	10,870	\$3,983,600	9,117	\$3,862,850



**SCHEDULE 23.—Sales of Thrift Stamps, Treasury Savings Stamps, War Savings Stamps and Treasury Savings Certificates through Federal Reserve Bank of St. Louis.**

Month	Thrift Stamps			Treas. Sav. Stamps			War Savings Stamps			Treasury Savings Certificates					
	Number	Value	Number	Value	Number	Maturity Value	Number	Maturity Value	\$25 Number	Maturity Value	\$100 Number	Maturity Value	\$1,000 Number	Maturity Value	
January.....	824	\$206.00	225	\$225	1,076	\$5,380		\$2,700	108		300	\$30,000	49	\$49,000	
February.....	918	229.50	41	41	1,446	2,230		550	22		163	16,300	25	25,000	
March.....	181	45.25	25	25	485	2,425		400	16		230	23,000	14	14,000	
April.....	304	76.00			116	1,580		300	12		153	15,300	17	17,000	
May.....	309	77.25	50	50	350	1,750		575	23		264	26,400	21	21,000	
June.....	122	30.50			63	315		150	6		117	11,700	11	11,000	
July.....	63	15.75			63	315		275	11		157	15,700	13	13,000	
August.....	121	30.25			174	870		400	16		99	9,900	7	7,000	
September.....	43	10.75			107	535		275	16		71	7,100	5	5,000	
October.....	14	3.50			110	550		11	11		87	8,700			
November.....		10.00			84	550		58	22		58	5,800			
December.....	57	14.25			69	345		1,750	70		102	10,200	18	18,000	
Totals for 1921.....	2,996	\$749.00	341	\$341	3,143	\$15,715		\$8,325	333		1,801	\$180,100	186	\$186,000	
Totals for 1920.....	12,016	3,004.00			11,541	57,705					5,404	540,400	821	821,000	

**SCHEDULE 24.—Redemption of Thrift Stamps, Treasury Savings Stamps, War Savings Stamps and Treasury Savings Certificates through Federal Reserve Bank of St. Louis.**

Month	Thrift Stamps			Treasury Saving Stamps			War Saving Stamps			Treasury Savings Certificates						Filled Thrift Stamp Cards			Treasury Saving Stamp Cards		
	Number	Value	Number	Value	Number	Maturity Value	Number	Maturity Value	\$100 Number	Maturity Value	\$1,000 Number	Maturity Value	Number	Amount	Number	Value	Number	Amount	Number	Value	
January.....	4,810	\$1,202.50			2,183	\$10,915		\$68,600	69		6	\$69,000	150	\$600							
February.....	172	43.00				30		3,000				6,000	29	116							
March.....	69	17.25											11	44							
April.....																					
May.....	250	62.50											32	128						1	\$20
June.....													6	24							
July.....	109	27.25							1		1	1,000									
August.....	217	54.25							6		6	6,000	1	4							
September.....																					
October.....	57	14.25																			
November.....													21	84							
December.....	99	24.75	26	\$26	17	85							36	144					1	20	
Totals for 1921.....	5,783	\$1,445.75	26	\$26	2,200	\$11,000		\$74,900	82			\$82,000	286	\$1,144					2	\$40	
Totals for 1920.....	20,286	5,064.00			18,038	90,190		602,300	595			535,000	870	3,480					3,480		



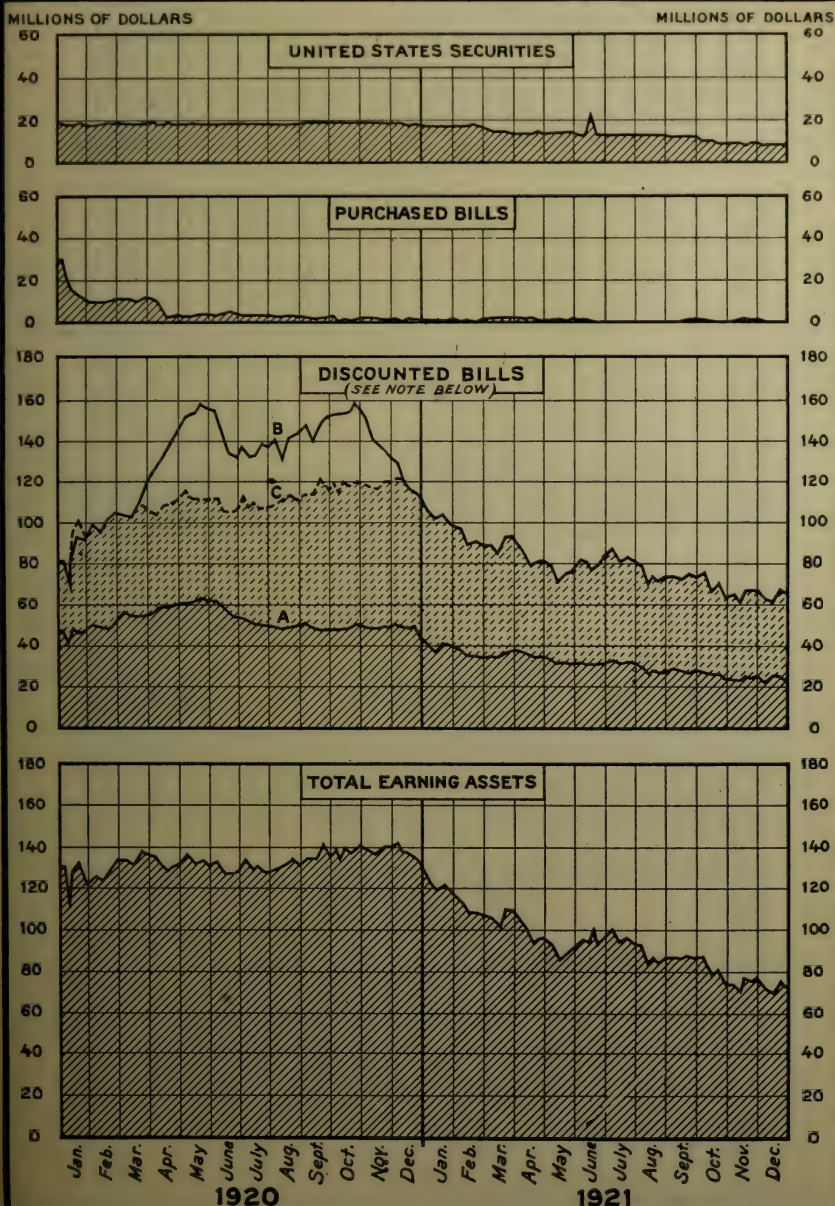
	January 7	February 4	March 4	April 1	May 4	June 1
Number of banks reporting		37	37	37	37	37
Loans and discounts (excluding rediscounts):						
Secured by U. S. Government obligations:	\$21,986,000	\$21,259,000	\$19,316,000	\$18,641,000	\$17,892,000	\$17,326,000
Secured by stocks and bonds other than U. S. bonds:	121,947,000	115,871,000	120,993,000	120,993,000	118,563,000	117,804,000
All other loans and discounts:	306,432,000	311,194,000	304,859,000	292,751,000	291,779,000	276,993,000
Total loans and discounts:	\$450,365,000	\$448,324,000	\$445,152,000	\$432,385,000	\$428,234,000	\$412,123,000
Investments:						
U. S. bonds:	29,207,000	29,192,000	28,595,000	28,667,000	27,882,000	25,832,000
U. S. Victory notes:	2,422,000	2,298,000	2,372,000	2,221,000	2,148,000	2,027,000
U. S. Treasury notes:						
U. S. Certificates of Indebtedness:	2,374,000	3,106,000	2,379,000	1,152,000	1,365,000	720,000
Other bonds, stocks and securities:	64,036,000	64,223,000	66,016,000	65,519,000	66,452,000	66,694,000
Total Investments:	\$98,039,000	\$98,819,000	\$99,962,000	\$97,559,000	\$97,847,000	\$95,273,000
Reserve balance with Federal Reserve Bank:	44,379,000	44,518,000	42,716,000	40,138,000	41,926,000	37,242,000
Cash in vault:	10,245,000	9,639,000	9,425,000	8,473,000	7,830,000	7,699,000
Net demand deposits on which reserve is computed:	325,494,000	328,718,000	325,391,000	311,837,000	308,623,000	286,393,000
Time deposits:	137,553,000	142,686,000	144,476,000	143,138,000	143,144,000	143,377,000
Government deposits:	2,983,000	2,754,000	2,428,000	6,527,000	5,567,000	2,516,000
Bills rediscounted with Federal Reserve Bank:	56,730,000	51,495,000	46,080,000	42,692,000	35,053,000	40,357,000
Bills payable with Federal Reserve Bank:	17,579,000	17,290,000	16,490,000	17,165,000	15,490,000	15,301,000
July 6		August 3	September 7	October 5	November 2	December 7
Number of banks reporting	37	37	37	37	37	37
Loans and discounts (excluding rediscounts):						
Secured by U. S. Government obligations:	\$17,126,000	\$18,228,000	\$15,948,000	\$16,475,000	\$15,165,000	\$15,445,000
Secured by stocks and bonds other than U. S. bonds:	119,710,000	118,789,000	118,495,000	118,297,000	121,741,000	121,650,000
All other loans and discounts:	271,916,000	270,514,000	271,483,000	271,490,000	269,088,000	271,383,000
Total loans and discounts:	\$408,752,000	\$407,531,000	\$405,926,000	\$406,262,000	\$406,994,000	\$408,478,000
Investments:						
U. S. bonds:	25,446,000	25,568,000	26,868,000	26,838,000	27,067,000	26,584,000
U. S. Victory notes:	1,992,000	1,957,000	1,925,000	1,938,000	1,167,000	852,000
U. S. Treasury notes:	932,000	797,000	94,000	2,554,000	137,000	110,000
U. S. Certificates of Indebtedness:	1,894,000	5,292,000	894,000	4,515,000	5,615,000	2,447,000
Other bonds, stocks and securities:	67,871,000	66,193,000	67,571,000	67,803,000	69,588,000	69,398,000
Total Investments:	\$98,135,000	\$99,807,000	\$97,352,000	\$103,718,000	103,574,000	\$99,391,000
Reserve balance with Federal Reserve Bank:	39,347,000	39,944,000	40,015,000	38,514,000	39,731,000	40,110,000
Cash in vault:	8,233,000	6,998,000	7,441,000	7,405,000	7,243,000	7,636,000
Net demand deposits on which reserve is computed:	284,949,000	285,042,000	283,698,000	280,643,000	290,823,000	296,495,000
Time deposits:	144,480,000	142,489,000	145,379,000	146,595,000	149,039,000	150,312,000
Government deposits:	8,862,000	10,892,000	3,859,000	17,328,000	8,863,000	3,974,000
Bills rediscounted with Federal Reserve Bank:	43,303,000	39,884,000	32,327,000	35,980,000	29,888,000	30,365,000
Bills payable with Federal Reserve Bank:	14,811,000	11,311,000	13,907,000	11,490,000	8,305,000	7,319,000

**SCHEDULE 26.—Customary discount and interest rates charged customers by banks in St. Louis, Louisville, Memphis and Little Rock during the 30-day periods ending the fifteenth of each month in 1921.**

	Prime Commercial Paper				Loans to Other Banks	Bankers' Acceptances 60 to 90 Days	Collateral Loans, Secured by Stock Exchange or Other Current Collateral			Cattle Loans	Commodity Paper Secured by Warehouse Receipts, etc.	Loans Secured by Liberty Bonds and Certif. of Ind.
	Customers' Paper		Purchased in Open Market				Demand	3 Months	3 to 6 Months			
	30 to 90 Days	4 to 6 Months	30 to 90 Days	4 to 6 Months								
St. Louis (Legal limit in Mo., 8%)	January.....	7	7	.....	7	.....	6 1/4	7	7	7	7	7
	February.....	7	7	.....	6 3/4	5 3/4	6	7	7	7	7	7
	March.....	7	7	.....	7	5 3/4	6	7	7	7	7	7
	April.....	7	7	.....	7	.....	6	7	7	7	7	7
	May.....	7	7	7 1/2	7 1/2	5 3/8	6	7	7	7	7	7
	June.....	7	7	7 1/2	7 1/2	5 3/8	6	7	7	7	7	7
	July.....	7	7	.....	7 1/2	6	5	7	7	7	7	7
	August.....	7	7	.....	6 1/2	6 1/2	5	7	7	7	7	7
	September.....	7	6 1/2	6	6 1/2	4 3/8	6	6 1/2	6 3/4	7	7	7
	October.....	6 1/2	6 1/2	6	6 1/2	4 3/8	4 3/8	6 1/2	6 1/2	6 1/2	6 1/2	6 1/2
	November.....	6 1/2	6 1/2	5 1/4	5 1/4	4 3/8	4 3/8	6 1/4	6 1/2	6 1/2	6 1/2	6 1/2
	December.....	6	6	.....	.....	.....	6 1/4	6 1/4	6 1/2	6 1/2	6 1/2	6 1/2
Louisville (Legal limit in Ky., 6%)	January.....	6	6	8	8	6 1/4	6 1/4	6	6	6	6	6
	February.....	6	6	7 1/4	7 3/4	.....	5 7/8	6	6	6	6	6
	March.....	6	6	7 1/4	7 3/4	.....	5 7/8	6	6	6	6	6
	April.....	6	6	7 1/4	7 3/4	.....	5 3/4	6	6	6	6	6
	May.....	6	6	7 1/4	7 3/4	5 3/4	.....	6	6	6	6	6
	June.....	6	6	7	7	.....	.....	6	6	6	6	6
	July.....	6	6	7	7	.....	5 3/4	6	6	6	6	6
	August.....	6	6	6 1/2	6 1/2	.....	5 3/4	6	6	6	6	6
	September.....	6	6	6 1/2	6 1/2	6	6	6	6	6	6	6
	October.....	6	6	6 1/4	6 1/4	6	6	6	6	6	6	6
	November.....	6	6	5 3/4	5 3/4	6	6	6	6	6	6	6
	December.....	6	6	5 1/2	5 1/2	6	6	6	6	6	6	6
Memphis (Legal limit in Tenn., 8%)	January.....	7	7	.....	7	.....	.....	.....	.....	.....	7	7
	February.....	7	7	.....	7	.....	.....	.....	.....	.....	7	7
	March.....	7	7	.....	7	.....	.....	.....	.....	.....	7	7
	April.....	7	7	.....	7	.....	.....	.....	.....	.....	7	7
	May.....	7	7	.....	7	.....	.....	.....	.....	.....	7	7
	June.....	7	7	.....	7	.....	.....	.....	.....	.....	7	7
	July.....	7	7	.....	7	.....	.....	.....	.....	.....	7	7
	August.....	7	7	.....	7	.....	.....	.....	.....	.....	7	7
	September.....	7	7	.....	7	.....	.....	.....	.....	.....	7	7
	October.....	7	7	.....	7	.....	.....	.....	.....	.....	7	7
	November.....	7	7	.....	7	.....	.....	.....	.....	.....	7	7
	December.....	6 1/2	7	.....	6	.....	.....	7	7	7	7	6
Little Rock (Legal limit in Ark., 10%)	January.....	8	8	.....	7 1/2	.....	.....	8	8	8	8	7
	February.....	8	8	.....	7	.....	.....	8	8	8	8	8
	March.....	8	8	.....	7	.....	.....	8	8	8	8	8
	April.....	8	8	.....	7	.....	.....	8	8	8	8	8
	May.....	8	8	.....	7	.....	.....	8	8	8	8	8
	June.....	8	7 1/2	.....	7	.....	.....	8	8	8	8	8
	July.....	8	8	.....	7	.....	.....	8	8	8	8	8
	August.....	8	8	.....	7	.....	.....	8	8	8	8	8
	September.....	8	8	.....	7	.....	.....	8	8	8	8	8
	October.....	8	8	.....	7	.....	.....	8	8	8	8	8
	November.....	8	8	.....	7	.....	.....	8	8	8	8	8
	December.....	7	8	.....	7	.....	.....	7	7	7	7	7

# CHART A

## FEDERAL RESERVE BANK OF ST. LOUIS MOVEMENT OF EARNING ASSETS DURING 1920 AND 1921



A - Paper secured by U. S. Government obligations discounted for banks in district.  
 B - Total paper discounted for banks in district.  
 C - Total discounted paper held.  
 Space between lines B and C represents - where above line B - paper discounted for,  
 and - where below line B - paper rediscounted with, other Federal Reserve Banks.

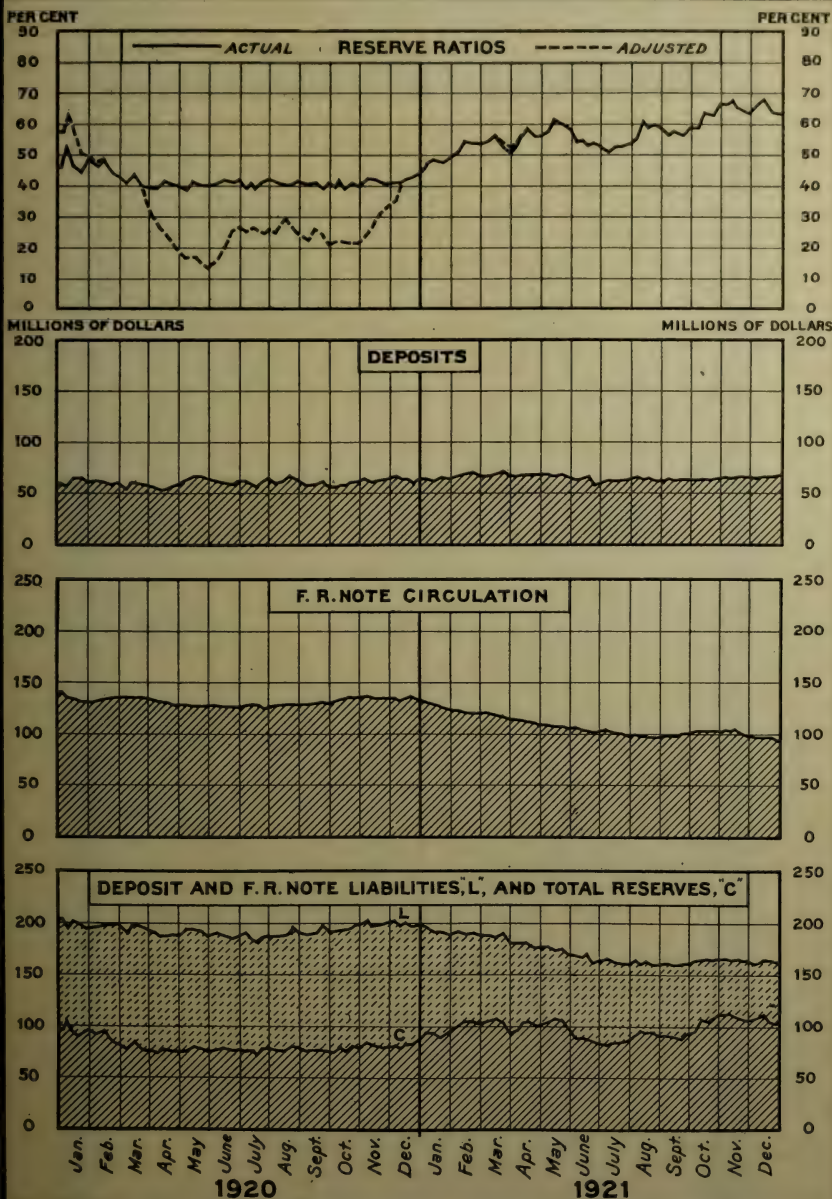


# CHART B

## BILLS DISCOUNTED AND BOUGHT BY FEDERAL RESERVE BANK OF ST LOUIS AND ITS BRANCHES



# FEDERAL RESERVE BANK OF ST. LOUIS DEPOSITS, F. R. NOTE CIRCULATION, CASH RESERVES AND RESERVE RATIOS, 1920-1921



Adjusted percentages are calculated after reducing or increasing reserves held by the amount of accommodation received from or extended to other Federal Reserve banks. The deposit curve is based on "net deposits" up to March 11, 1921, and on "total deposits" thereafter.

DAILY AVERAGE NUMBER OF CLEARING ITEMS HANDLED  
BY FEDERAL RESERVE BANK OF ST LOUIS AND ITS  
BRANCHES  
(NOT INCLUDING COLLECTION ITEMS AND GOVERNMENT COUPONS)





# CHART E

## TOTAL LOANS AND INVESTMENTS AND DEPOSITS OF REPORTING MEMBER BANKS



## DEBITS TO INDIVIDUAL ACCOUNTS



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EIGHTH ANNUAL REPORT  
OF THE  
FEDERAL RESERVE BANK  
OF ST. LOUIS

FOR THE YEAR ENDED DECEMBER 31, 1922



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## LETTER OF TRANSMITTAL

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FEDERAL RESERVE BANK,

St. Louis, Mo., February 28, 1923.

Gentlemen: I have the honor to transmit herewith the eighth annual report of the Federal Reserve Bank of St. Louis, covering the year ended December 31, 1922.

Respectfully,

WM. McC. MARTIN,

*Chairman and Federal Reserve Agent.*

FEDERAL RESERVE BOARD,

Washington D. C.



32.1  
-317  
1922

## DIRECTORS AND OFFICERS

### OF FEDERAL RESERVE BANK OF ST. LOUIS FOR 1923

#### DIRECTORS

##### CLASS C

WM. McC. MARTIN, Chairman, St. Louis, Mo.  
JOHN W. BOEHNE, Deputy Chairman, Evansville, Ind.  
C. P. J. MOONEY, Memphis, Tenn.

##### CLASS A

JOHN G. LONSDALE, St. Louis, Mo.  
JOHN C. MARTIN, Salem, Ill.  
C. UTTERBACK, Paducah, Ky.

##### CLASS B

LE ROY PERCY, Greenville, Miss.  
W. B. PLUNKETT, Little Rock, Ark.  
ROLLA WELLS, St. Louis, Mo.

#### OFFICERS

WM. McC. MARTIN,  
Chairman of the Board and Federal  
Reserve Agent.  
M. STEWART,  
Asst. Federal Reserve Agent.  
J. NOVY,  
General Auditor,  
L. TRAFTON,  
E. DEBRECHT,  
I. NOWOTNY,  
E. MARTIN,  
T. WALKER,  
Assistant Auditors.

D. C. BIGGS,  
Governor.  
OLIN M. ATTEBERY,  
Deputy Governor.  
J. G. McCONKEY,  
Counsel and Secretary.  
J. W. WHITE,  
Cashier.  
A. H. HAILL,  
J. W. RINKLEFF,  
W. H. GLASGOW,  
S. F. GILMORE,  
E. C. ADAMS,  
F. N. HALL,  
Assistant Cashiers.

#### LOUISVILLE BRANCH

##### OFFICERS

W. P. KINCHELOE,  
Manager.  
JOHN T. MOORE,  
Cashier.  
EARL R. MUIR,  
Assistant Cashier.

##### DIRECTORS

W. P. KINCHELOE  
W. C. MONTGOMERY  
GEO. W. NORTON  
F. M. SACKETT  
EMBRY L. SWEARINGEN

#### MEMPHIS BRANCH

##### OFFICERS

JNO. J. HEFLIN,  
Manager.  
A. J. WILLIAMS,  
Cashier.  
V. S. FUQUA,  
Assistant Cashier.

##### DIRECTORS

JNO. J. HEFLIN  
J. D. McDOWELL  
S. E. RAGLAND  
T. K. RIDDICK  
R. B. SNOWDEN

#### LITTLE ROCK BRANCH

##### OFFICERS

A. F. BAILEY,  
Manager.  
M. H. LONG,  
Cashier.  
F. A. COE,  
Assistant Cashier.

##### DIRECTORS

A. F. BAILEY  
JOHN M. DAVIS  
J. E. ENGLAND, Jr.  
C. S. McCAIN  
MOORHEAD WRIGHT

#### MEMBER FEDERAL ADVISORY COUNCIL

FESTUS J. WADE, St. Louis, Mo.



## GENERAL BUSINESS CONDITIONS

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The year 1922 was marked by a notable business revival, affecting the country as a whole and felt in its full force in the Eighth Federal Reserve District. In spite of certain powerful handicaps, including three major strikes and disturbed conditions abroad, distinct progress was made in the direction of industrial and commercial recuperation. Among the chief manifestations of this constructive movement were increased production and consumption of commodities, restored confidence in values, price adjustments, heavy employment of labor, liquidation of extended credits, and a general strengthening in the financial and banking position. Accompanying these evidences of physical betterment was a steady improvement in sentiment and other less tangible factors in the economic structure. The closing months of the year developed a resumption of purchasing by merchants for future requirements and a return of business methods which had been largely abandoned during the war and the years immediately following.

### VOLUME OF BUSINESS

All lines and industries did not share alike in the improvement, and through its course the movement was characterized by irregularity. However, the net result was very decidedly in the direction of bringing coordination in all branches of activity. During a large portion of the year a broad discrepancy existed between prices of products of the soil and manufactured goods. This served to reduce the purchasing power in the rural districts, besides forming the basis of considerable discontent among agriculturists. In the fall and winter there occurred an excellent advance in values of leading crops, particularly cotton. While this was not extensive enough to restore the balance, it materially aided in lifting depression in the country and was directly reflected in an accelerated movement of farm products to market and the liquidation of extensive credits based thereon. Another effect was the broadening of farm programs for the spring planting season.

Generally speaking, the end of the year found the purchasing power of the public in a stronger position than has been the case in more than a decade. This fact is emphasized by the accretion of savings accounts, almost universal employment of labor, and the



high efficiency of collections. Concrete evidence of the augmented ability of the public to purchase is found in schedule 23, which gives the total debits to individual accounts in the leading center of the district.

The record of commercial failures during 1922 made an unfavorable exhibit, but this was not entirely unexpected in view of the disabilities which business labored under the two preceding years. Analysis of the year's commercial mortality in this district discloses relatively few failures of old and well established firms.

As contrasted with the years immediately preceding, 1922 was a period of relatively cheap and plentiful money. This fact, coupled with the progress made toward rehabilitating general business facilities, resulted in more dependable and satisfactory profits. Indeed, in a number of the district's most important industries conditions regained the status which in the past was called normal and in some instances the year under review developed real prosperity.

### AGRICULTURAL CONDITIONS

While the leading food crops in this district during 1922 were not as large as during some past seasons, yields were abundant and average prices paid producers were well in excess of those realized in 1921. The introduction of improved methods and more intensive farming permitted the year's crops to be planted and harvested at relatively lower cost than heretofore. Another feature of the year's agricultural activities was broader diversification and the growth of specialized operations, such as dairying, fruit culture, and poultry raising. The generally improved financial conditions in the rural areas were reflected during the closing months of the year by a marked increase in sales of implements and other supplies used on farms.

In sharp contrast with the preceding year, fruit and vegetable crops in 1922 were of bumper proportions. The early berry, melo and truck crops were the largest in more than a decade, and were marketed under extremely auspicious conditions. Late fruit and small crops were also heavy, but due to excess production and resultant lower prices, coupled with disorganized transportation service, profits to the producers were not uniformly satisfactory. Throughout the marketing season, car shortages proved a serious handicap to producers and shippers of farm products. There was also universal complaint of high freight rates, which, in the case of long hauls, absorbed a large part of the grower's profits.

Unfavorable weather during the growing season and boll weevil infestation drastically cut down the potential cotton production through the South. This district, particularly Arkansas, fared better than other sections of the cotton belt in point of quantity, and the quality of the staple was in the main good. There was an active demand and prices for raw cotton were high. The financial success of the cotton crop, together with the large yields and improved marketing conditions of tobacco and rice, served to place the southern sections of the district in a stronger position than at any time in recent years.

### **BANKING CONDITIONS**

Banking developments during 1922 were in marked contrast with the years immediately preceding. Beginning with the early months of 1917 and continuing through 1920, borrowings for all purposes were in enormous volume, due to war and post-war conditions. During most of that period, there was a constant drain on the resources of both commercial and Federal Reserve banks, with rates relatively high. Throughout 1921 and the first half of 1922 there was credit liquidation and price readjustment. This movement changed its course in the summer of 1922, and with the effects of augmented production, larger commercial needs and more universal employment of labor, commodity values began to turn upward. In the late summer the usual demands for currency and credits for financing the crop movement appeared, which, coupled with requirements incident to improvement in general business and an active holiday trade, were reflected in increased loan activities with member banks and at the Federal Reserve Bank. Generally speaking, 1922 was a year of plentiful money, especially its closing months, during which financial institutions in this district were seeking an outlet for their surplus funds and turned for investment to commercial paper, acceptances, Government securities and other bonds.

The conditions outlined were reflected in the movement of loans, investments and deposits of the 37 reporting member banks in Evansville, Little Rock, Louisville, Memphis and St. Louis, among which are the largest commercial banks in the district. Their total loans and discounts (including rediscounts) were \$441,000,000 on January 11, 1922, from which date there was an irregular decline until June 28, when the aggregate had receded to \$404,000,000. Beginning in July an upward trend developed, which persisted through the remainder of the year, the highest point

being reached on December 27 when the total was \$458,000,000. The movement of deposits was over an extremely irregular course, but the trend was continuously upward, particularly during the final quarter, when rapid gains were recorded. On January 4 total deposits were \$467,000,000 and on December 27 they had risen to \$557,000,000. The curve representing holding of stocks, bonds and other securities also bent irregularly, but consistently upward, going from \$105,000,000 on January 4 to \$165,000,000 on December 27. Heavy gains were scored in the number and amount of savings accounts, the total number being 454,425 and amount \$109,165,000 on January 4, while on December 27 there were 495,677 accounts totaling \$122,374,000. Schedule 22 shows the changes in the principal asset and liability items of the 37 reporting member banks from month to month during the year.

The customary discount and interest rates charged by banks in St. Louis during 1922 ranged from 5 to 6 per cent. In Louisville the rate was 6 per cent, which is the legal limit in Kentucky. In Memphis the rates ranged from 6 to 7 per cent, and in Little Rock from 7 to 8 per cent.



## OPERATIONS OF FEDERAL RESERVE BANK OF ST. LOUIS

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While the earnings of the Federal Reserve Bank of St. Louis for 1922 were considerably less than the preceding year, due to the reduced demand for accommodations, the operations performed for member banks in clearing of checks, collection of non-cash items, transfers of funds, currency transactions, custody of securities, etc., continued in large volume and in most cases exceeded those of 1921.

### INCOME AND DISBURSEMENTS

In 1922 the gross earnings of this bank were \$2,456,447, of which \$1,623,222 were absorbed in current expenses, leaving net earnings of \$833,225, a decrease of \$2,371,840 under those of 1921. The member banks received \$283,166 in dividends, \$87,956 were paid to the Government as a franchise tax and \$276,450 were transferred to surplus.

Bills discounted for member banks furnished the major portion of the revenue, \$1,303,808 being derived from that source. Acceptances purchased yielded \$255,750 and United States securities, \$832,169.

Schedule 1 shows in detail the earnings and expenses for 1922 as compared with the previous year. A comparative profit and loss statement is contained in schedule 2.

### ASSETS AND LIABILITIES

Total resources of this bank increased from \$213,487,000 on December 31, 1921, to \$224,676,000 on December 31, 1922. Between these dates its deposits increased from \$69,264,000 to \$76,936,000 and its earning assets decreased from \$71,204,000 to \$62,661,000. Federal Reserve notes in circulation fell from \$95,246,000 to \$93,659,000. These movements were accompanied by a heavy gain in reserves, this item standing at \$106,641,000 on December 31, 1921, and \$117,887,000 on the last day of 1922.

A comparative statement of condition is given in schedule 3. The movement of the principal asset and liability items is shown in schedule 4 and the chart in the appendix.

## RESERVE POSITION

The reserve position of this bank remained strong through the entire year. It was not necessary to rediscount with any other Federal Reserve bank, neither did any other reserve bank rediscount with this institution.

On January 4, 1922, the combined reserve against deposit and Federal Reserve note liabilities was 66.1 per cent, but a seasonal surplus of funds brought the ratio up to 81.5 per cent on February 8, the highest for the year. From that date to June 30 the trend was toward lower levels, a minimum for the first six months being reached on June 3, when the combined ratio touched 65.7 per cent. Increasing seasonal demands brought the figure progressively lower until September 16, when it touched 58.7 per cent, the lowest for the year. From that date an irregular climb to 75.3 per cent on November 13 brought the highest point of the second six months period, but Christmas credit requirements caused a speedy reduction to 59.8 per cent on December 27. The passing of holiday demands was reflected in an almost perpendicular rise between December 27 and December 31, the figure on the latter date standing at 69.1 per cent.

The total cash reserves, deposit and Federal Reserve note liabilities and reserve percentages by weeks are shown in schedule 4.

## DISCOUNT OPERATIONS

The discount operations of this bank for the year under review reflect the general liquidation which took place throughout the country.

Holdings of bills discounted for member banks declined from \$63,053,000 at the beginning of the year to \$16,027,000 on July 26. From that date they began to increase until at the end of the year the discounted bills held by this bank amounted to \$30,082,000. The amount of discounted paper held each week is shown in schedule 4.

Paper in the aggregate amount of \$865,856,421 was discounted for member banks during 1922. This is a decrease of \$743,167,517 under the amount discounted in 1921. The number of notes discounted in 1922 was 43,624, as against 78,898 handled during the preceding year.

Of the 610 member banks, 400 different banks borrowed from this institution during 1922. In 1921, out of the 588 members, 390 received accommodation. A more general utilization of this facility is shown from year to year.

Schedule 5 gives the volume of the different classes of paper discounted by the parent bank and each branch, also, the amount of paper received from each state each month and the number of banks in each state accommodated during 1922.

### **OPEN MARKET PURCHASES**

With the decline in borrowings by member banks, this bank increased its purchases of acceptances and Government securities in the open market.

On December 31, 1922 the amount of purchased bills held was \$13,028,000, as compared to \$218,000 on the corresponding date in 1921.

A total of \$33,736,031 of bills was purchased in the open market during 1922, of which \$32,441,031 were bankers' acceptances and \$1,295,000 were bills to furnish dollar exchange. This is an increase of \$13,548,553 over the amount purchased in 1921. The number of bills purchased was 3,442, against 1,922 in 1921. Most of these bills were bought in the New York and Chicago markets. In this district comparatively few bank bills were created and the demand usually exceeded the supply.

Government securities held by this bank at the end of 1922 amounted to \$19,551,000, which compares with \$7,933,000 on December 31, 1921.

A total of \$145,239,550 of Government securities was purchased during the year, which is an increase of \$99,622,550 over the amount bought in 1921. Not all of these securities were for strictly investment purposes by this bank, since the figures include securities purchased temporarily for resale to commercial banks and other investors.

Schedule 6 shows the open market purchases by months. The amounts of purchased bills and Government securities held each week are given in schedule 4.

### **DISCOUNT RATES**

General conditions warranting, the discount rate of this bank was reduced on April 6, 1922, from 5 per cent on all classes of eligible paper to 4½ per cent, and remained at the latter figure through the balance of the year.

The discount rates effective during the year on the different classes of paper are shown in schedule 7.



## CURRENCY TRANSACTIONS

The volume of currency handled, while slightly smaller than during 1921, was still of large proportions. In course of the year, 94,930,894 pieces of paper currency, amounting to \$473,064,814, and 126,429,142 coins, amounting to \$13,631,282, were received from all sources and counted by this bank. Schedule 8 gives the amounts of paper currency and coin received and counted by the parent bank and each branch.

This bank continued its practice of absorbing the costs incident to shipments of paper currency, subsidiary silver and minor coin to member banks and of paper currency and all coin from member banks, also, the costs of shipments of paper currency and coin received from non-member banks remitting regularly to the Federal Reserve Bank at par.

## FEDERAL RESERVE NOTES

In keeping with the demand for accommodations by member banks, from January 1 to July 26, 1922, the Federal Reserve notes of this bank in circulation decreased from \$95,246,000 to \$66,458,000. Beginning the latter part of July the curve started to bend upward and by the end of the year the notes in circulation had increased to \$93,659,000. Schedule 4 gives the amount of notes in circulation each week during the year.

In 1922, the Federal Reserve Agent issued or reissued to the Federal Reserve Bank \$63,430,000 of Federal Reserve notes against the pledge of gold and eligible paper. This was \$11,530,000 less than the amount issued in 1921.

The bank returned to the Federal Reserve Agent during the year \$6,690,000 of fit Federal Reserve notes. The Treasurer of the United States redeemed, out of the redemption fund maintained with him by the Federal Reserve Agent, \$57,805,200 of unfit notes of the Federal Reserve Bank of St. Louis, which were turned over to the Comptroller of the Currency to be destroyed.

Federal Reserve notes outstanding on December 31, 1922, amounted to \$113,037,745. To secure these notes there were \$70,572,905 of gold and \$43,109,823 of eligible paper pledged with the Federal Reserve Agent. Of the \$113,037,745 of Federal Reserve notes outstanding, \$18,726,745 were held by the parent bank and its branches and \$651,800 were in transit to Washington for redemption, leaving \$93,659,200 in actual circulation at the end of the year. Schedule 9 shows the amount of each denomination

of Federal Reserve notes outstanding December 31, 1921, issued, returned and redeemed during 1922 and outstanding December 31, 1922.

Most of the gold pledged with the Federal Reserve Agent as security for Federal Reserve notes is deposited in the Federal Reserve Agents' fund in Washington. Through this fund transfers are made by wire between the Federal Reserve Bank and the Federal Reserve Agent, as well as transfers to the funds in Washington used to redeem the notes. The balance to his credit in this fund at the close of the year was \$55,500,000.

### **FEDERAL RESERVE BANK NOTES**

On December 31, 1921, there were \$4,077,600 of Federal Reserve bank notes outstanding. These notes were secured by \$6,569,000 of U. S. special 2-per cent certificates of indebtedness deposited with the Treasurer of the United States.

During 1922 only \$2,828,000 of new Federal Reserve bank notes were issued.

Throughout the year the amount of Federal Reserve bank notes in circulation steadily declined, and from time to time the United States Treasury Department redeemed a portion of the special 2-per cent certificates of indebtedness securing them. By the close of 1922, all of the special 2-per cent certificates of indebtedness had been redeemed and, the necessary funds having been deposited with the Treasury Department, it assumed the liability of redeeming all the bank notes remaining unretired. Consequently, the Federal Reserve Bank of St. Louis had no liability on its bank notes outstanding at the end of the year.

### **TRANSIT OPERATIONS**

In point of number of checks handled by this bank, 1922 established a high record. The average daily number of items handled was 128,682, against a daily average of 113,326 in 1921.

A total of 38,476,104 checks, amounting to \$6,114,443,669, was handled during 1922, indicating an increase of 4,478,326 and \$508,979,168 in the number and amount, respectively, as compared with the preceding year. The average amount of each check handled during the year was \$159, which compares with \$165 in 1921. Schedule 10 shows the number and amount of the various classes of clearing items handled by the parent bank and each branch.

At the end of 1922 there were 371 member banks availing themselves of the clearing facilities, against 345 at the end of 1921. Sixty-five non-member banks were maintaining clearing accounts with the parent bank and its branches.

On December 31, 1922, this bank was collecting, at par, checks on 3,077 out of a total of 3,236 banks in the Eighth District. The difference is represented by 159 non-member banks in Mississippi.

The privilege of routing items, which are payable in other Federal Reserve districts, direct to other Federal Reserve banks and branches for the credit of this bank and for use by the forwarding bank, was granted to 12 additional banks during the year, bringing the total to 47. This bank continued its practice of forwarding the cash letters of its direct sending member banks to other Federal Reserve banks and branches. These cash letters are enclosed with similar items of the parent bank or branch, the postage expense being borne by this bank. The following table indicates the volume of this work during the year under review:

	No. of Cash Letters	Amount
St. Louis parent bank.....	377,269	\$2,314,056,278
Louisville branch.....	78,456	444,996,375
Memphis branch.....	56,224	262,074,636
Little Rock branch.....	45,693	145,120,609
Totals.....	557,642	\$3,166,247,898

### COLLECTION OF NOTES, BILLS, ETC.

To a greater extent than ever before member banks used the facilities offered by this institution for collecting items such as drafts, notes, acceptances, etc.

During 1922 this bank handled 197,169 collection items, amounting to \$267,681,431, which compares with 130,952 items, amounting to \$190,104,225, in 1921. Of the number handled, 16,441 items were returned unpaid, while in 1921 there were 12,808 returned unpaid. The average item handled in 1922 was \$1,357, against an average of \$1,451, in 1921. Schedule 11 gives the number and amount of collections handled by the parent bank and each branch.

### GOLD SETTLEMENT FUND

As in previous years, the settlement of balances between Federal Reserve districts, arising from check collections, was effected daily through the gold settlement fund in Washington.



Transfers of funds for the United States Treasury and member banks, and settlements for purchases of acceptances, etc., between reserve banks were also made through this fund.

These transactions were dispatched over the private wire system which connects Federal Reserve banks, their branches and the Federal Reserve Board at Washington. The quickness of making settlements permitted a reflection of the true reserve condition of each reserve bank daily.

The balance to the credit of this bank in the gold settlement fund on December 31, 1922 was \$31,207,066.

### **TRANSFERS OF FUNDS FOR MEMBERS**

The facilities offered by this bank for transferring funds, without cost to member banks, to any reserve bank or branch city, were more widely used during 1922 than in any previous twelve-month period.

In course of the year this bank dispatched for its member banks 30,829 outgoing wire transfers involving \$1,683,136,842. It also handled 23,955 incoming wire transfers, amounting to \$1,353,424,604, and 12,072 mail transfers aggregating \$711,789,072.

During the year this bank also made 16,273 deposits, amounting to \$31,110,879, for national banks to their 5-per cent redemption funds with the United States Treasury.

The total transfers for member banks in 1922 numbered 83,129 and amounted to \$3,779,461,397. During the previous year, 79,723 transfers, amounting to \$2,455,720,530 were handled. The number and amount of transfers handled by the parent bank and each branch are given in schedule 12.

### **CUSTODY OF SECURITIES FOR MEMBERS**

During the year under review, this bank continued to receive from its member banks, for safe-keeping without charge, United States securities, maturing notes and bills, and other paper eligible for rediscount or acceptable as collateral.

When placing subscriptions for issues of Government bonds, notes or certificates, or when forwarding such securities for exchange, many of the member banks requested that the securities be held by this bank for safe-keeping. This saved considerable shipping expense and hazard.

In addition, this bank clipped the coupons from the Government securities and collected the maturing notes and bills, when requested by the depositing member banks, making disposition of the proceeds in accordance with their instructions.

At the close of 1922, the following securities were held by the parent bank and each branch in safe-keeping for member banks:

St. Louis parent bank.....	\$22,609,202
Louisville branch.....	3,056,500
Memphis branch.....	2,295,250
Little Rock branch.....	1,812,450
Total.....	<u>\$29,773,402</u>

### FIDUCIARY POWERS GRANTED

In 1922 eleven national banks in the Eighth District were granted permission by the Federal Reserve Board to exercise fiduciary powers under Section 11(k) of the Federal Reserve Act. One national bank which had previously been granted this permission went out of existence through expiration of its charter during the year. Schedule 13 gives a list of the national banks granted permission in 1922 to exercise fiduciary powers.

At the end of the year under review there were 99 national banks in this district authorized to exercise fiduciary powers, as against 89 at the end of 1921. The distribution by states of these banks was as follows: Arkansas 17; Illinois 26; Indiana 15; Kentucky 21; Mississippi 2; Missouri 17; Tennessee 1.

### RELATIONS WITH BANKS

As in the past, every effort was made in 1922 by this institution to increase its usefulness to member banks and the communities served by them.

In July there was inaugurated a system of regular visits to member banks. For these visits the district was divided geographically into four sections, to each of which was assigned a traveling representative. From July to the end of the year these representatives called on approximately 500 of the 610 member banks. In addition to visiting member banks, the representatives also called on non-member banks in the towns where member banks are located.

The representatives will cover their sections at least twice yearly, calling on the banks to discuss general conditions, establish personal contact with the officers, furnish any information desired relative to Federal Reserve practice and otherwise foster pleasant and profitable relationship.

Conventions and group meetings of bankers' associations in the several states of the district were attended by representatives of the parent bank or its branches.

## MOVEMENT OF MEMBERSHIP

During the year 12 new national banks became members, and the memberships of 6 were terminated through liquidation, etc. Seventeen state banks and trust companies were admitted to membership, and one surrendered its membership. Schedule 14 gives a list of the national and state banks which became members, banks which terminated their memberships and member banks that changed their titles during 1922.

On December 31, 1922, this bank had a membership of 610, consisting of 489 national banks and 121 state banks and trust companies, a net increase of 6 national banks and 16 state institutions for the year. Of the 610 member banks, 386 were assigned to the parent bank, 95 to the Louisville branch, 59 to the Memphis branch, and 70 to the Little Rock branch.

At the end of the year, the number of banks and trust companies that were members of the Federal Reserve Bank of St. Louis was only 34 per cent of the total number of banks in the Eighth District eligible to membership, but the resources of the member banks represented about 70 per cent of the resources of all the eligible banks. Several applications of state banks for membership were pending at the close of the year.

## EXAMINATION DEPARTMENT

Examiners for the Federal Reserve Bank participated with the several state banking departments of the district in 119 examinations of member state banks and trust companies during 1922. The Federal Reserve examiners also made 3 independent examinations of member state banks and 15 examinations of state banks applying for membership. The following table shows the work done by states:

STATE	Examinations by F. R. exam- iners of state banks applying for member- ship.	Independent examinations of member state banks by F. R. examiners.	Independent examinations of member state banks by State examiners.	Joint examina- tions of mem- ber state banks by State and F. R. examiners.
Arkansas .....	1	0	2	50
Illinois .....	1	3	15	6
Indiana .....	1	0	0	3
Kentucky .....	1	0	0	8
Mississippi .....	4	0	4	1
Missouri .....	6	0	0	28
Tennessee .....	1	0	0	23
—	—	—	—	—
Totals for 1922	15	3	21	119
Totals for 1921	12	0	23	89



## FOREIGN ACCOUNTS

During 1922 this bank participated with the New York Federal Reserve Bank in certain investment transactions for account of De Nederlandsche Bank, Amsterdam, Holland, the Swiss National Bank, Berne, Switzerland, and the Bank of Japan, Yokohama.

The only foreign bank having deposits with this bank during the year was the Bank of Japan.

## INTERNAL ORGANIZATION

On January 1 the Board of Directors of the Federal Reserve Bank of St. Louis was composed of the following members: John G. Lonsdale, J. C. Utterback and Sam A. Ziegler, Class A directors; LeRoy Percy, W. B. Plunkett and Rolla Wells, Class B directors, and Wm. McC. Martin, John W. Boehne and C. P. J. Mooney, Class C directors. Mr. Martin was Chairman of the Board and Federal Reserve Agent and Mr. Boehne was Deputy Chairman. Of these directors the terms of Messrs. Mooney, Plunkett and Ziegler expired on December 31, 1922. Mr. Mooney was reappointed a Class C director by the Federal Reserve Board for a three year term beginning January 1, 1923.

An election was held, terminating on December 3, to select directors to succeed Messrs. Plunkett and Ziegler. John C. Martin, Cashier of the Salem National Bank, Salem, Ill., was elected by banks in Group 3 as a Class A director, in succession to Mr. Ziegler, and Mr. Plunkett was elected to succeed himself by banks in Group 2 as a Class B director, each to serve three years from January 1, 1923.

On January 4, 1922, the Board of Directors elected Directors Boehne, Lonsdale and Wells to serve on the Executive Committee with the Governor and Federal Reserve Agent. Throughout the year the Executive Committee met on Mondays, Wednesdays and Fridays.

At its January 4 meeting the directorate also elected the following officers for the year 1922:

**For parent bank at St. Louis:** David C. Biggs, Governor; Olin M. Attebery, Deputy Governor; J. G. McConkey, Counsel and Secretary; J. W. White, Cashier; A. H. Haill, J. W. Rinkleff, W. H. Glasgow, S. F. Gilmore, E. C. Adams and F. N. Hall, Assistant Cashiers; E. J. Novy, General Auditor, and L. H. Bailey, H. L. Trafton, A. E. Debrecht, L. A. Moore, E. I. Nowotny, C. E. Martin and L. T. Walker, Assistant Auditors.

**For Louisville Branch:** W. P. Kincheloe, Manager; John T. Moore, Cashier, and Earl R. Muir, Assistant Cashier.

**For Memphis Branch:** John J. Heflin, Manager; A. J. Williams, Cashier, and V. S. Fuqua, Assistant Cashier.

**For Little Rock Branch:** A. F. Bailey, Manager; M. H. Long, Cashier, and F. A. Coe, Assistant Cashier.

The following directors for the branches were designated to serve during 1922:

	Appointed by St. Louis parent bank	Appointed by Federal Reserve Board in Washington
Louisville Branch:	George W. Norton, W. C. Montgomery and W. P. Kincheloe;	F. M. Sackett and Embry L. Swearingen;
Memphis Branch:	R. B. Snowden, J. D. McDowell and John J. Heflin;	T. K. Riddick and S. E. Ragland;
Little Rock Branch:	C. A. Pratt, J. E. England, Jr. and A. F. Bailey;	Moorhead Wright and George W. Rogers.

F. O. Watts, President of the First National Bank in St. Louis, was reelected to represent the Federal Reserve Bank of St. Louis on the Federal Advisory Council during 1922. Mr. Watts resigned June 21, on which date Festus J. Wade, President of the Mercantile Trust Company of St. Louis, was elected his successor.

C. M. Stewart was reappointed Assistant Federal Reserve Agent at the beginning of the year.

On September 2 L. H. Bailey, Assistant Auditor, was transferred to the Examination Department.

The number of officers and employees at the head office and each branch on December 31, 1922 and the same date in 1921 were as follows:

	Dec. 31, 1922	Dec. 31, 1921
St. Louis parent bank.....	498	516
Louisville branch.....	89	89
Memphis branch.....	80	91
Little Rock branch.....	60	66
	<u>727</u>	<u>762</u>

Of the entire personnel at the close of the year, 109 were engaged in fiscal agency work, which number included 47 temporarily employed to assist in the redemption of war saving stamps maturing January 1, 1923. At the end of 1921 there were 87 officers and employees engaged in fiscal agency work.

## BANKING QUARTERS

The Federal Reserve Bank of St. Louis continued during the year under review to occupy its rented quarters in the Federal Reserve Bank building, northeast corner of Broadway and Pine street, and five floors in the adjoining Commerce Trust building, also space formerly occupied by the Sub-treasury in the Custom House, Ninth and Olive streets.

In November it was necessary to rent additional space in a building at the northeast corner of Fourth and Olive streets to accommodate extra help required to perform work in connection with the redemption of war savings stamps.

As mentioned in preceding annual reports, this bank has acquired land upon which to erect permanent quarters, located in the heart of the financial district of St. Louis, and having a continuous frontage on Broadway, Locust and Fourth streets. No construction work was performed on the new quarters during 1922.

The branches at Louisville, Memphis and Little Rock also continued in the same quarters. The Louisville branch is housed in quarters at northeast corner of Fifth and Market streets, owned by this bank. The Memphis branch occupies leased quarters in the Goodwyn Institute building, and the Little Rock branch occupies leased quarters in the Southern Trust building.

As stated in a previous report, a lot at Third and Louisiana streets has been acquired as a site for permanent quarters of the Little Rock branch. However, construction work has not yet begun.



## FISCAL AGENCY OPERATIONS

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As fiscal agent of the United States Government, the Federal Reserve Bank of St. Louis continued to receive and disburse funds for its account. It handled the sale and delivery of Government securities in this district, also the exchange, conversion and transfer of securities and the redemption of those matured or called.

### SALE OF GOVERNMENT SECURITIES

During 1922, the United States Government offered thirteen issues of bonds, notes and certificates of indebtedness, aggregating \$4,650,000,000, which was \$1,700,000,000 more than the amount offered in 1921. The total quota of these issues assigned to this district was \$198,000,000. Individuals, banks and other corporations subscribed to \$321,995,400 of the issues, of which \$177,777,400 were allotted by the Treasury Department.

Of the thirteen issues above mentioned, one was an offering of Treasury bonds, maturing October 15, 1952, redeemable at the option of the United States on and after October 15, 1947. One was an issue of so-called loan certificates. Six were tax certificates of indebtedness, one being in anticipation of income and excess-profit taxes due in 1922 and five in anticipation of similar revenue due in 1923. Five offerings were Treasury notes maturing in 1925 and 1926. These notes were issued in anticipation of refunding the Victory notes called for payment on December 15, 1922, and those maturing May 20, 1923. Schedule 15 shows the different offerings of United States bonds, notes and certificates of indebtedness, also the subscriptions and allotments to each issue.

The sale of thrift stamps and war savings stamps was discontinued by the Treasury Department on January 1, 1922. The sale of Treasury savings stamps was discontinued on October 1, 1922, but none were sold through this bank during the year. In place of these securities, there were offered Treasury savings certificates in denominations of \$25, \$100, and \$1,000. The selling campaign was under direction of Hugh B. Werner, Government Director of the Treasury Savings Organization of this district.

Sales of Treasury savings certificates during 1922 showed a considerable increase over the preceding year. This was due in

large measure to the favorable rate of interest carried by these securities. The interest yield on Treasury savings certificates was reduced October 1, 1922, and sales during the months of October and November were considerably less. However, due to the privilege granted holders of war savings stamps, maturing January 1, 1923, to exchange such stamps for Treasury savings certificates, the sales were greatly stimulated during December.

For the year a total of 11,400 Treasury savings certificates, amounting to \$3,148,425 were sold through this bank. These figures do not show the entire amount sold in the district, since many of the post-offices obtained their supplies direct from Washington. Schedule 16 gives the number and amount of Treasury savings certificates of the different denominations sold through this bank each month.

### REDEMPTION OF GOVERNMENT SECURITIES

The Secretary of the Treasury called the  $3\frac{3}{4}$  per cent Victory notes for redemption on June 15, 1922. He called the  $4\frac{3}{4}$  per cent Victory notes, bearing letters A, B, C, D, E or F, for redemption on December 15, 1922. He also gave the holders of the uncalled  $4\frac{3}{4}$  per cent Victory notes, maturing May 20, 1923, the option of redeeming them before that date. This bank redeemed a total of \$2,991,400 of the  $3\frac{3}{4}$  per cent Victory notes called for payment June 15. It also redeemed \$72,796,900 of  $4\frac{3}{4}$  per cent Victory notes of both the called and uncalled series, of which \$25,945,000 were redeemed in cash and \$46,851,900 were applied on subscriptions to other issues of Government securities. Schedule 17 sets forth the amount of Victory notes redeemed by the parent bank and each branch.

This bank redeemed during 1922 a total of \$82,732,500 of Treasury certificates of indebtedness, of which \$76,043,500 were redeemed in cash and \$6,689,000 were applied on subscriptions to other issues of certificates, notes and bonds. Schedule 18 shows the amount of certificates of indebtedness redeemed by the parent bank and each branch.

There were redeemed through this bank during the year 4,083,707 thrift stamps, Treasury savings stamps and war savings stamps, of the value of \$19,696,820. These figures include a large volume of war savings stamps, maturing January 1, 1923, which were received for redemption during November and December, but actual payment was not made until January 2, 1923. Schedule 19 gives the number and amount of the different classes of Treasury savings securities redeemed each month.

## **EXCHANGE, CONVERSION AND TRANSFER OF GOVERNMENT SECURITIES**

The transactions in connection with exchange, conversion and transfer of Liberty bonds and Victory notes, while smaller in volume than in 1921, were still of impressive proportions.

During the year this bank received for exchange, conversion or transfer, bonds to the number of 356,453, representing a par value of \$75,729,450, and delivered 107,683 bonds, amounting to \$74,491,600. Schedule 20 gives details relative to the exchange and conversion of Liberty bonds and Victory notes.

## **PAYMENT OF GOVERNMENT COUPONS, CHECKS AND WARRANTS**

During the year this bank handled a total of 2,260,855 checks and warrants drawn on the United States Treasurer, amounting to \$197,007,747. These figures indicate an increase of 248,823 in the number of items handled, but a decrease of \$5,050,047 in the amount, as compared with 1921. The number and amount handled by the parent bank and each branch are shown in Schedule 10.

The number of Government coupons handled by this bank in 1922 was 4,221,746, with a face value of \$27,805,973, which compares with 5,216,274 coupons, amounting to \$30,405,260, in 1921. Schedule 21 gives the number and amount of coupons handled by the parent bank and each branch.

Government deposits in the Federal Reserve Bank of St. Louis at the close of business December 31, 1922, amounted to \$1,211,000, as compared with \$3,802,000 on the last day of 1921.

## **DEPOSIT OF GOVERNMENT FUNDS WITH BANKS**

In course of the year 23 more banks qualified to receive deposits arising out of the sale of Treasury bonds, notes and certificates of indebtedness. Adding these 23 to the number which had qualified prior to January 1, 1922, and deducting those which were dropped from the list, there remained 236 Government depositaries at the end of the year, which compares with 476 on December 31, 1921.

This bank performed all duties incident to the deposit and withdrawal of such funds.

The largest amount of deposits outstanding with depositaries at any one time was \$27,226,450, on October 17. The amount outstanding on December 31, 1922, was \$16,172,600. The deposits made with depositaries during the year aggregated \$106,413,100.



Interest on such deposits collected by the Federal Reserve Bank for account of the United States Government in course of the year amounted to \$157,661.

All of the collateral pledged as security for these deposits was passed on by this bank. Most of the collateral was in custody of the parent bank and its branches. However, some was held by outside custodians, which were appointed to facilitate the work. At the end of the year, there were 3 outside custodians.

#### WAR FINANCE CORPORATION

As fiscal agent for the War Finance Corporation, this bank made advances for its account aggregating \$16,576,519, of which amount \$12,147,863 were advanced to cooperative marketing associations and \$4,428,656 to non-member and member banks.

The amounts advanced by the parent bank and each branch were as follows: The parent bank advanced \$2,345,000 to banks attached to the head office; the Louisville branch \$4,700,000 to cooperative associations and \$260,000 to banks; the Memphis branch \$5,759,000 to cooperative associations and \$1,321,000 to banks, and the Little Rock branch \$1,688,000 to cooperative associations and \$502,000 to banks.

The War Finance Corporation made loans to 134 banks in this district during 1922, but only 14 of these banks were members of the Federal Reserve System.

## APPENDIX

### CHART

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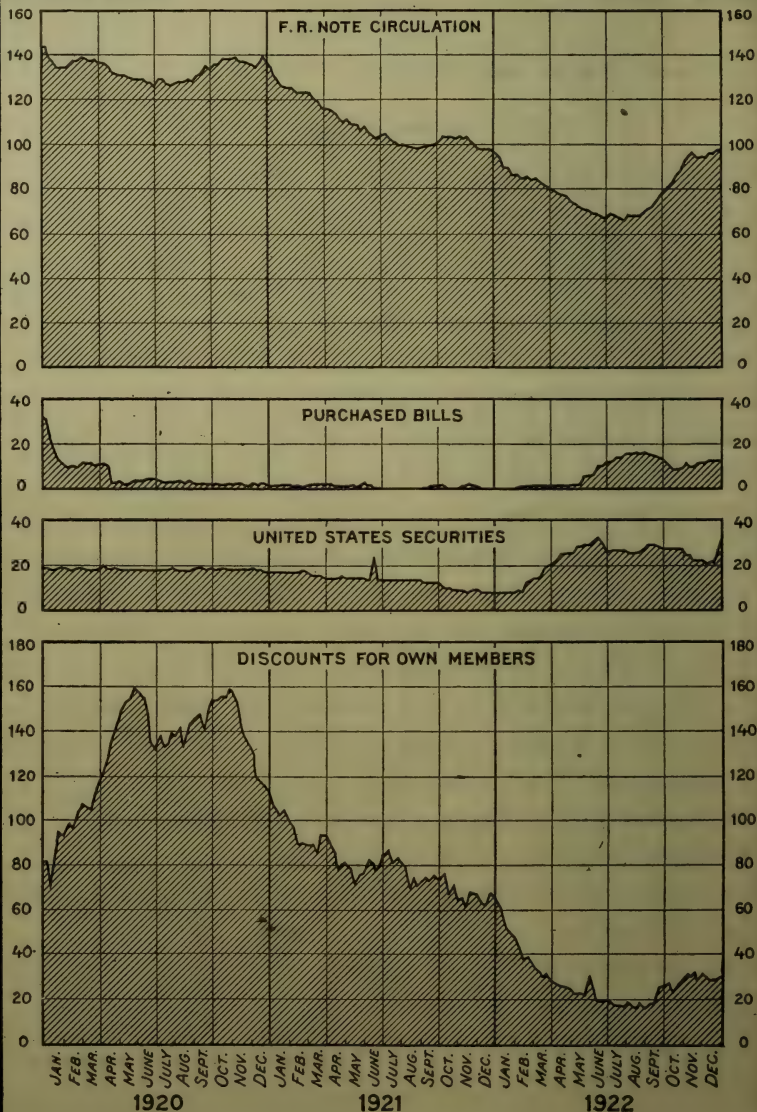
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# FEDERAL RESERVE BANK OF ST. LOUIS

MILLIONS OF DOLLARS

MILLIONS OF DOLLARS





**SCHEDULE 1.—Comparative statement of earnings and expenses of Federal Reserve  
Bank of St. Louis.**

EARNINGS	1922	1921
Discounted bills.....	\$1,303,808	\$4,739,032
Purchased bills.....	255,750	41,427
United States securities.....	832,169	284,151
Transfers—net earnings.....		
Deficient reserve penalties.....	45,915	80,640
Miscellaneous.....	18,805	21,065
<b>Total earnings.....</b>	<b>\$2,456,447</b>	<b>\$5,166,315</b>
 <b>CURRENT EXPENSES</b>		
<b>Salaries:</b>		
Bank officers.....	\$155,877	\$151,043
Clerical staff.....	829,072	931,158
Special officers and watchmen.....	28,418	28,069
All other.....	40,750	38,763
Governors' conferences.....	456	675
Federal Reserve Agents' conferences.....	228	287
Federal Advisory Council.....	1,250	1,200
Directors' meetings.....	10,675	11,948
Traveling expenses†.....	24,498	29,373
Assessments for Federal Reserve Board expenses.....	31,820	31,597
Legal fees.....	2,919	116
Insurance (life, fidelity, casualty, workmen's compensation, and general liability).....	40,587	39,654
<b>Banking House:</b>		
Taxes and fire insurance.....	3,246	2,284
Light, heat, and power.....	3,014	3,184
Repairs and alterations.....	382	296
All other.....	193	168
Rent, including light, heat and power, and minor alterations.....	73,627	63,897
Fire insurance—furniture and equipment.....	1,027	907
Furniture and equipment*.....		54,082
Printing and stationery (including office and other supplies).....	57,221	65,809
Telephone.....	7,448	8,217
Telegraph.....	42,841	43,262
Security shipments.....	8,081	5,072
Currency and coin shipments.....	43,711	30,646
Postage and expressage (other than on money and security ship- ments).....	101,059	87,479
<b>Federal Reserve currency:</b>		
Original cost, including shipping charges.....	52,719	236,047
Cost of redemption, including shipping charges.....	11,586	20,049
Taxes on Federal Reserve Bank note circulation.....	16,377	26,500
All other expenses.....	34,140	49,468
<b>Total current expenses.....</b>	<b>\$1,623,222</b>	<b>\$1,961,250</b>
<b>Current net earnings.....</b>	<b>\$833,225</b>	<b>\$3,205,065</b>

†Other than those connected with governors' and agents' conferences and meetings of directors and of the advisory council.

\*Charged to Profit and Loss in 1922, and to current expenses prior to that year.

**SCHEDULE 2.—Comparative profit and loss statement of Federal Reserve Bank of St. Louis.**

PROFIT AND LOSS ACCOUNT	1922	1921
Earnings.....	\$2,456,447	\$5,166,315
Current expenses.....	1,623,222	1,961,250
Current net earnings.....	\$833,225	\$3,205,065
Additions to current net earnings:		
Amounts deducted from reserve for depreciation on United States bonds.....	3,883	
Assessment account expenses Federal Reserve Board previously charged to profit and loss.....		
All other.....	2,257	13,241
Total additions.....	\$6,140	\$13,241
Deductions from current net earnings:		
Depreciation allowances on bank premises.....	\$ 2,000	\$112,224
Furniture and equipment.....	44,755	
Reserve for probable losses.....	125,000	150,000
Reserve for depreciation on United States bonds.....		
All other.....	20,038	4,156
Total deductions.....	\$191,793	\$266,380
Net deductions from current net earnings.....	\$185,653	\$253,139
Net earnings available for dividends, franchise tax, and surplus.....	\$647,572	\$2,951,926
Dividends paid.....	\$283,166	\$ 270,253
Franchise tax paid United States Government.....	87,956	1,639,109
Transferred to surplus account.....	276,450	1,042,564

**SCHEDULE 3.—Comparative statement of condition of Federal Reserve Bank of St. Louis. (In thousands of dollars.)**

RESOURCES	Dec. 31, 1922	Dec. 31, 1921
Gold and gold certificates.....	\$ 2,852	\$ 3,257
Gold Settlement fund—Federal Reserve Board.....	31,207	22,963
Gold with foreign agencies.....		
Total gold held by bank.....	\$34,059	\$26,220
Gold with Federal Reserve Agent.....	70,573	66,158
Gold redemption fund.....	2,960	3,695
Total gold reserves.....	\$107,592	\$ 96,073
Legal tender notes, silver, etc.....	10,295	10,568
Total reserves.....	\$117,887	\$106,641
Bills discounted:		
Secured by U. S. Government obligations.....	\$14,549	\$21,831
All other.....	15,533	41,222
Bills bought in open market.....	13,028	218
Total bills on hand.....	\$43,110	\$63,271
United States bonds and notes.....	16,771	1,161
United States certificates of indebtedness:		
One-year certificates (Pittman Act).....		6,569
All other.....	2,780	203
Total earning assets.....	62,661	71,204
Bank premises.....	912	615
5 per cent redemption fund against Federal Reserve bank notes.....		523
Uncollected items.....	42,862	33,744
All other resources.....	354	760
Total resources.....	\$224,676	\$213,487
LIABILITIES		
Capital paid in.....	\$ 4,827	\$ 4,603
Surplus.....	9,665	9,388
Deposits:		
Government.....	\$ 1,211	\$ 3,802
Member bank—reserve account.....	73,798	64,613
All other.....	1,927	849
Total deposits.....	\$76,936	\$69,264
Federal Reserve notes in actual circulation.....	\$93,659	\$95,246
Federal Reserve Bank notes in circulation—net liability.....		3,923
Deferred availability items.....	38,993	30,263
All other liabilities.....	596	800
Total liabilities.....	\$224,676	\$213,487
Ratio of total reserves to deposit and Federal reserve note liabilities combined.....	69.1%	64.8%

SCHEDULE 4.—*Movement of principal asset and liability items of Federal Reserve Bank of St. Louis during 1922. (In thousands of dollars.)*

Date	Total Earning Assets (2+5+6)		Bills discounted for Member Banks			Bills Bought in Open Market	United States Securities	Total Cash Reserves	Member Banks' Reserve Deposits	Total Deposits	Federal Reserve Notes in Circulation	Reserve Percentages
	1	2	Bills Secured by U. S. Government Obligations		Other Bills Discounted							
			Total	3								
Jan. 4.....	\$68,115	\$59,950	\$20,299	\$39,651	\$ 219	\$ 7,946	\$107,781	\$65,326	\$68,905	\$94,222	66.1	
11.....	60,663	52,337	18,839	33,498	380	7,946	113,053	65,564	67,788	90,139	71.6	
18.....	58,468	50,187	17,820	32,367	415	7,866	116,602	66,297	70,477	88,645	73.3	
25.....	54,754	46,667	17,157	29,510	235	7,852	118,344	65,176	69,427	86,026	76.1	
Feb. 1.....	50,297	41,411	15,232	26,179	303	8,583	121,575	63,708	69,476	86,089	78.2	
8.....	46,499	37,108	13,468	23,640	999	8,392	125,221	66,093	69,357	84,323	81.5	
15.....	52,356	37,936	13,572	24,364	1,469	12,951	129,225	71,365	78,385	85,017	79.1	
21.....	50,474	35,250	11,175	24,075	1,269	13,955	118,267	67,645	71,289	84,023	76.1	
March 1.....	48,913	33,300	10,504	22,796	1,129	14,489	116,825	62,496	66,891	85,180	76.8	
8.....	48,736	32,035	9,656	22,379	1,287	15,414	123,378	70,884	74,039	83,328	78.4	
15.....	47,832	28,572	8,406	20,166	1,247	18,013	119,463	66,360	68,759	82,457	79.0	
22.....	52,193	30,931	9,824	21,107	1,248	20,014	113,665	66,585	69,505	80,962	75.5	
29.....	49,022	27,568	8,225	19,343	1,174	20,280	117,221	66,217	71,651	79,572	77.5	
April 5.....	49,348	26,543	8,185	18,358	1,092	21,713	116,901	69,212	72,832	79,170	76.9	
12.....	50,587	25,436	7,794	17,264	942	24,587	108,321	64,043	66,610	77,641	75.1	
19.....	51,196	25,058	7,300	18,136	820	24,940	108,830	67,007	73,138	76,963	74.5	
26.....	49,535	23,728	7,212	16,516	844	24,963	108,830	67,007	70,733	74,749	74.8	
May 3.....	48,593	22,454	7,855	14,599	1,171	24,968	110,319	67,830	71,177	74,350	75.8	
10.....	46,698	21,705	7,016	14,689	1,342	27,651	107,129	69,036	71,822	72,495	74.2	
17.....	52,708	22,302	7,540	14,762	2,190	28,216	101,677	65,885	68,554	72,905	72.1	
24.....	55,523	21,049	7,216	13,833	5,084	29,225	104,561	69,747	74,250	70,732	70.2	
31.....	64,061	29,832	8,465	13,367	5,084	29,145	94,689	67,969	73,259	69,940	65.8	
June 7.....	55,832	19,574	7,888	11,686	5,594	30,664	99,363	68,529	71,502	69,940	70.2	
14.....	59,897	18,695	6,430	12,265	9,597	31,605	90,858	67,849	67,849	68,694	66.5	
21.....	58,608	18,947	6,775	12,172	9,597	30,064	96,301	71,085	72,615	68,239	68.4	
28.....	56,313	19,587	7,576	12,011	11,538	25,188	95,018	66,380	69,361	67,307	69.5	



**SCHEDULE 4 (Continued).—Movement of principal asset and liability items of Federal Reserve Bank of St. Louis, during 1922.**  
(In thousands of dollars.)

Date	Total Earning Assets (2+5+6)		Bills discounted for Member Banks				United States Securities	Total Cash Reserves	Member Banks' Reserve Deposits	Total Deposits	Federal Reserve Notes in Circulation	Reserve Percentages
	1	2	Bills Secured by U. S. Government Obligations		4	Bills Bought in Open Market						
			Total	Other Bills Discounted								
July	5.....	55,263	18,220	6,658	11,562	11,511	25,532	95,429	64,695	67,254	68,787	70.1
	12.....	56,528	16,933	5,722	11,211	13,856	25,739	85,771	58,964	61,235	67,717	66.5
	19.....	57,580	17,101	5,898	11,203	14,415	26,064	84,669	60,008	62,561	66,907	65.4
Aug.	26.....	57,610	16,027	5,054	10,973	15,344	26,239	85,227	59,807	63,461	66,458	65.6
	59,441	18,971	7,351	11,620	15,381	25,089	88,998	90,277	60,277	62,519	68,081	68.1
	57,450	17,438	6,151	11,287	15,365	24,647	92,299	66,393	68,728	67,952	67,952	67.5
16.....	56,569	15,899	4,764	11,135	15,524	25,146	87,279	59,773	62,274	68,493	66.7	
23.....	59,364	17,850	4,701	13,149	15,224	26,290	84,005	61,033	63,823	68,233	68,233	63.6
30.....	60,060	16,460	4,369	12,091	16,075	27,525	86,097	60,436	63,677	68,874	65.0	
Sept.	6.....	62,213	18,202	4,713	13,489	15,286	28,725	86,613	61,676	64,007	70,653	64.3
	13.....	61,436	17,833	4,819	13,014	14,992	28,611	87,228	62,454	65,292	72,046	63.5
	20.....	67,279	24,914	8,054	16,860	14,153	28,212	83,130	60,502	63,349	74,260	60.4
27.....	65,062	25,501	7,142	18,359	12,918	26,643	87,297	59,084	61,361	76,952	63.1	
Oct.	4.....	63,973	26,656	7,498	19,158	10,544	26,778	96,895	62,276	64,199	80,272	67.1
	11.....	58,767	23,180	5,131	18,049	9,023	26,564	105,798	65,252	67,373	82,941	70.4
	18.....	61,046	25,673	7,268	18,405	8,810	26,563	102,896	62,716	64,728	86,425	68.1
25.....	64,544	28,865	9,259	19,606	9,065	26,614	104,324	62,372	64,453	87,541	68.6	
Nov.	1.....	64,759	30,557	10,481	20,076	10,513	23,689	111,635	64,943	69,516	91,742	69.2
	8.....	69,362	29,854	11,564	18,290	10,383	23,715	116,492	67,010	67,712	93,990	72.0
	15.....	69,947	32,002	13,721	18,281	9,730	22,215	113,099	66,187	67,701	95,732	69.2
22.....	61,007	28,076	12,077	15,999	11,222	21,709	112,143	63,722	66,820	93,899	69.8	
29.....	64,556	31,261	15,503	15,758	11,585	21,710	111,037	63,584	66,670	94,302	69.0	
Dec.	6.....	69,440	29,791	13,839	15,952	12,439	21,210	116,127	66,913	70,552	94,451	70.4
	13.....	61,485	27,709	13,451	14,258	12,660	21,116	115,941	68,211	70,725	94,501	70.2
	20.....	67,593	28,795	13,696	15,099	12,680	26,118	106,250	68,396	71,032	96,834	63.3
27.....	73,927	30,187	16,549	13,638	12,623	31,117	102,901	71,362	74,799	97,272	59.8	

SCHEDULE 5.—*Paper discounted for member banks by Federal Reserve Bank of St. Louis.*

Classes of Paper Discounted		St. Louis Parent Bank	Louisville Branch	Memphis Branch	Little Rock Branch	Totals for 1922	Totals for 1921
Member banks' 15-day notes secured by U. S. obligations.....		\$205,898,576	\$395,183,817	\$25,589,266	\$28,252,405	\$654,924,064	\$956,436,581
Member banks' 15-day notes otherwise secured		298,500	.....	76,000	.....	372,500	1,289,862
Customers' paper secured by U. S. obligations.....		1,548,089	576,324	2,104,774	433,596	4,662,983	38,102,650
Agricultural and live stock paper.....		8,944,890	628,386	14,660,041	8,572,763	32,803,080	52,191,415
Trade acceptances.....		1,527,992	569,154	1,493,676	590,703	4,181,525	5,140,715
Bankers' acceptances.....		84,900	84,000	.....	925,142	1,458,842	7,973,889
Other discounts.....		79,918,483	12,232,299	58,238,628	17,064,097	167,453,507	547,889,326
<b>Totals for 1922.....</b>		<b>\$298,584,200</b>	<b>\$409,271,130</b>	<b>\$102,162,385</b>	<b>\$ 55,838,706</b>	<b>\$865,856,421</b>	<b>\$1,609,023,938</b>
Totals for 1921.....		890,065,256	362,424,862	215,454,134	141,079,686	.....	.....

Total Paper Discounted by Months and States		Arkansas	*Illinois	*Indiana	*Kentucky	*Mississippi	*Missouri	*Tennessee	Totals
January.....		\$11,420,736	\$6,945,020	\$1,957,536	\$24,721,980	\$2,125,868	\$18,164,702	\$9,191,830	\$74,527,672
February.....		8,709,436	5,684,231	1,504,528	18,840,385	1,407,206	10,511,321	7,577,002	54,234,109
March.....		9,151,435	6,333,763	1,733,031	5,815,989	1,420,213	10,145,493	6,418,876	41,018,800
April.....		10,919,884	5,841,455	1,392,593	13,994,057	2,068,627	13,907,851	8,452,911	56,597,393
May.....		5,460,446	6,054,750	850,856	26,038,757	807,878	23,944,300	2,282,371	65,434,338
June.....		3,831,272	4,798,490	965,770	33,355,168	860,036	14,770,787	2,351,171	50,922,684
July.....		3,016,032	4,795,582	1,584,647	33,626,389	751,786	11,858,605	1,737,170	57,330,161
August.....		4,008,434	4,587,177	1,024,536	20,718,317	1,290,865	11,629,872	639,684	43,898,895
September.....		6,773,273	4,083,590	1,628,339	26,954,221	1,478,325	21,581,089	6,552,437	69,051,278
October.....		5,090,295	4,528,113	2,373,787	31,975,832	1,337,048	16,793,105	10,064,893	72,163,070
November.....		3,046,589	6,618,153	2,269,975	65,972,463	694,798	19,511,639	10,335,121	108,448,738
December.....		3,022,838	5,561,184	1,927,635	73,013,569	462,156	38,661,004	9,575,952	132,224,333
<b>Totals for 1922.....</b>		<b>\$74,450,670</b>	<b>\$65,791,458</b>	<b>\$19,203,163</b>	<b>\$405,027,127</b>	<b>\$14,734,807</b>	<b>\$211,479,768</b>	<b>\$75,179,428</b>	<b>\$865,856,421</b>
Totals for 1921.....		186,439,233	95,674,607	30,015,816	353,313,506	29,083,446	754,739,832	159,757,498	1,609,023,938

Number member banks on 12-31-22.....	122	185	62	68	20	126	27	610
Different banks discounting during 1922.....	95	108	30	41	18	88	20	400
Different banks discounting during 1921.....	103	105	33	45	15	66	23	390

\*Figures in this column relate only to that part of the State located in this district.

SCHEDULE 6.—*Open market operations of Federal Reserve Bank of St. Louis.*

Month	Bills Purchased				U. S. Securities Purchased		
	Bankers' Acceptances	Dollar Exchange	Trade Acceptances	Total Bills Purchased	U. S. Bonds and Notes	U. S. Certificates of Indebtedness	Total U. S. Securities Purchased
January.....	\$ 880,054			\$ 880,054	\$ 339,800	\$ 203,000	\$ 542,800
February.....	2,081,920			2,081,920	3 120,900	6,173,500	9,294,400
March.....	1,123,800	\$ 50,000		1,173,800	3,930,700	4,330,000	8,260,700
April.....	180,743			180,743	3,781,500	1,131,500	4,913,000
May.....	3,266,249	700,000		3,966,249	239,400	4,431,500	4,720,900
June.....	609,936			609,936	3,236,250	31,454,500	34,710,750
July.....	5,113,185			5,113,185	734,650	228,500	963,150
August.....	887,224	100,000		987,224	7,352,550	1,632,000	8,984,550
September.....	200,000			200,000	68,600	821,500	821,500
October.....	5,558,237	20,000		5,578,237		1,892,000	1,960,600
November.....	7,315,195	200,000		7,515,195	28,400	30,000	58,400
December.....	5,254,488	225,000		5,479,488	8,800	70,000,000	70,008,800
Totals for 1922.....	\$32,441,031	\$1,295,000	None	\$33,736,031	\$22,911,550	\$122,328,000	\$145,239,550
Totals for 1921.....	19,277,000	910,000	None	20,187,478	1,198,000	44,419,000	45,617,000

SCHEDULE 7.—*Discount rates of Federal Reserve Bank of St. Louis during 1922.*

	In Effect:	January 1 to April 5, incl.		April 6 to December 31, incl.	
Member banks' 15-day collateral notes:					
Secured by bills receivable or bonds or notes of the U. S.....			5%		4½%
Rediscounts.....					
Secured by bonds or notes of the U. S.....			5%		4½%
Commercial paper.....			5%		4½%
Agricultural or live stock paper.....			5%		4½%
Trade acceptances.....			5%		4½%
Bankers' acceptances.....			5%		4½%
Bankers' acceptances, purchased in the market, subject to agreement.					



SCHEDULE 8.—Currency (paper and coin) received and counted by Federal Reserve Bank of St. Louis.

	Paper Currency		Coin		Total Paper Currency and Coin Received and Counted	
	Pieces	Amount	Pieces	Amount	Pieces	Amount
St. Louis Parent Bank.....	56,914,100	\$290,749,600	96,181,773	\$ 9,820,344	153,095,873	\$300,569,944
Louisville Branch.....	17,772,944	96,697,914	15,090,113	1,281,894	32,863,057	97,979,808
Memphis Branch.....	13,912,650	60,027,700	9,244,026	1,828,719	23,156,676	61,656,419
Little Rock Branch.....	6,331,200	25,589,600	5,913,230	900,325	12,244,430	26,489,925
Totals for 1922.....	94,930,894	\$473,064,814	126,429,142	\$ 13,631,282	221,360,096	\$486,696,096
Totals for 1921.....	92,016,445	495,761,399	130,666,323	14,115,453	222,682,773	509,876,852

SCHEDULE 9.—Federal Reserve Notes outstanding December 31, 1921, issued, returned and redeemed during 1922, and outstanding December 31, 1922.

	Outstanding December 31, 1921	Issued or Re-issued by F. R. Agent to F. R. Bank	Fif Notes Returned to Agent by Bank	Unfit Notes Redeemed in Washington	Outstanding December 31, 1922
Fives.....	\$ 23,778,985	\$ 19,460,000	\$820,000	\$ 17,560,300	\$ 24,858,685
Tens.....	30,447,300	17,920,000	880,000	16,926,650	30,560,650
Twenties.....	42,141,260	19,600,000	1,520,000	18,173,200	42,048,060
Fifties.....	7,583,300	3,300,000	900,000	3,008,050	6,975,250
Hundreds.....	5,406,600	2,400,000	1,000,000	1,536,000	5,270,600
One Hundreds.....	1,354,500	300,000	350,000	188,000	1,118,500
Five Thousands.....	2,581,000	400,000	750,000	368,000	1,863,000
Five Thousands.....	350,000	50,000	230,000	5,000	168,000
Ten Thousands.....	460,000	.....	240,000	40,000	180,000
Totals for 1922.....		\$63,430,000	\$6,630,000	\$ 57,805,200	
Totals for 1921.....	\$114,102,945	74,960,000	5,600,000	110,648,440	\$*113,037,745

\*\$18,726,745 of Federal Reserve Notes were held by the Federal Reserve Bank. of St. Louis and its branches, and \$651,800 were in transit to Washington for redemption, leaving \$93,659,200 in actual circulation at end of year.

SCHEDULE 10.—*Clearing items handled by Federal Reserve Bank of St. Louis.*

Classes of Items Handled	St. Louis Parent Bank		Louisville Branch		Memphis Branch		Little Rock Branch		Totals	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Checks on local banks.....	3,902,559	\$2,755,875,630	1,232,385	\$ 709,470,778	949,961	\$ 403,309,653	764,519	\$ 279,814,314	6,849,424	\$4,148,470,375
Checks on other banks in this district	16,890,415	985,499,716	5,315,565	292,812,859	2,264,596	145,325,561	3,766,881	223,910,210	28,237,457	1,647,549,346
Checks and warrants on U. S. Treas.	1,620,846	118,461,192	411,208	52,885,433	133,903	15,722,500	94,898	9,938,622	21,260,855	197,007,747
Checks on banks in other districts....	457,814	52,499,987	125,910	10,748,065	17,931	3,739,752	73,870	12,375,663	676,525	79,363,467
Totals for 1922, without duplications	22,871,634	\$3,912,336,525	7,085,068	\$1,065,917,135	3,366,391	\$ 568,098,466	4,700,168	\$ 526,038,809	38,023,261	\$6,072,390,935
Checks handled by both parent bank and branches.....	126,039	\$ 13,188,354	23,054	\$ 1,862,603	23,695	\$ 3,105,756	280,055	\$ 23,896,022	452,843	\$ 42,052,734
Totals for 1922, including duplications.....	22,997,673	\$3,925,524,879	7,108,122	\$1,067,779,738	3,390,086	\$ 571,204,221	4,980,223	\$ 549,934,831	38,476,104	\$6,114,443,669
Totals Items Handled by Months										
January.....	1,731,031	\$ 298,859,648	533,227	\$ 82,134,905	242,481	\$ 41,267,540	356,170	\$ 41,660,080	2,862,909	\$ 463,922,209
February.....	1,627,633	246,076,260	501,775	72,111,019	220,730	33,855,098	340,092	35,934,809	2,690,250	387,977,186
March.....	1,875,364	335,717,295	613,156	98,851,410	276,090	39,160,725	396,222	43,129,293	3,261,032	511,858,663
April.....	1,782,338	294,917,550	579,875	80,837,500	251,524	36,509,736	368,586	38,189,697	3,973,378	450,454,463
May.....	1,910,432	320,541,327	618,076	86,638,250	271,215	39,999,397	397,760	40,497,806	3,197,543	487,676,780
June.....	1,969,303	330,127,952	613,584	88,529,189	266,645	38,965,462	407,780	40,092,482	3,257,312	496,715,115
July.....	1,768,988	312,628,076	563,447	81,270,630	251,449	36,775,461	389,014	35,723,155	2,982,898	466,397,322
August.....	1,877,465	325,246,069	587,386	89,002,658	265,599	36,922,884	412,855	36,985,543	3,143,305	488,157,154
September.....	1,951,135	333,665,610	595,045	90,076,246	233,472	46,380,618	432,823	48,797,829	3,261,975	519,400,303
October.....	2,152,583	376,743,736	634,408	96,254,973	332,823	74,223,876	503,864	65,483,596	3,643,677	612,716,181
November.....	2,017,046	368,102,475	604,537	92,701,673	345,024	77,352,589	482,164	61,954,434	3,448,771	600,121,171
December.....	2,234,020	382,898,895	672,606	114,371,235	353,034	69,210,835	493,394	62,566,107	3,758,054	629,047,122
Totals for 1922, including duplications.....	22,997,673	\$3,925,524,879	7,108,122	\$1,067,779,738	3,390,086	\$ 571,204,221	4,980,223	\$ 549,934,831	38,476,104	\$6,114,443,669
Totals for 1921, including duplications.....	20,638,685	\$ 3,631,736,876	6,209,943	\$ 976,889,080	2,897,023	\$ 471,659,023	4,252,127	\$ 525,178,908	33,997,778	\$ 5,605,464,501

Month	St. Louis Parent Bank		Louisville Branch		Memphis Branch		Little Rock Branch		Totals	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
January.....	8,677	\$ 11,922,750	1,859	\$ 2,901,025	1,730	\$ 1,932,058	1,332	\$ 1,763,698	13,598	\$ 18,519,532
February.....	10,011	9,647,669	1,554	2,457,170	1,498	1,523,307	1,146	1,116,818	14,209	14,744,964
March.....	10,978	12,596,424	2,013	3,138,365	1,717	1,717,792	1,438	1,273,649	16,149	18,726,230
April.....	9,747	26,409,697	1,933	3,448,253	1,554	1,798,333	1,176	1,350,761	14,410	32,143,044
May.....	11,203	16,444,999	2,498	3,448,214	1,989	2,000,807	1,532	1,672,267	17,222	23,565,788
June.....	10,248	12,169,886	2,414	4,111,378	1,814	1,945,442	1,359	1,116,785	15,835	19,342,991
July.....	10,263	11,658,351	2,592	5,627,114	1,801	1,861,706	1,328	1,239,517	15,984	20,386,718
August.....	10,465	12,714,235	2,401	4,004,035	1,550	1,489,476	1,376	1,157,665	15,792	19,315,410
September.....	10,696	10,116,318	2,449	5,252,965	1,754	2,677,148	1,702	1,776,096	16,601	19,822,527
October.....	11,845	10,588,514	2,761	4,512,850	2,822	6,495,472	2,061	2,602,971	19,489	24,199,786
November.....	11,910	14,816,950	3,133	3,325,676	2,785	5,049,690	1,870	2,982,821	19,698	26,175,137
December.....	11,456	20,419,803	2,811	3,588,488	2,338	3,821,300	1,577	2,909,713	18,182	30,739,304
Totals for 1922.....	127,499	\$169,504,626	28,418	\$ 44,951,513	23,355	\$ 32,262,531	17,897	\$ 20,962,761	*197,169	\$267,681,431
Totals for 1921.....	82,574	133,007,362	18,628	26,711,547	17,065	18,764,348	12,685	11,620,968	*130,952	190,104,225

\*During 1922, 16,441 items were returned unpaid; during 1921, 12,808 items were returned unpaid.

SCHEDULE 12.—Transfers of funds for member banks through Federal Reserve Bank of St. Louis.

	Outgoing Wire Transfers		Incoming Wire Transfers		Mail Transfers		Deposits to 5% Redemption Fund in Washington for National Banks		Total Transfers for Member Banks	
	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount
St. Louis Parent Bank.....	19,879	\$1,275,728,605	13,907	\$881,345,501	10,517	\$692,797,826	10,775	\$21,857,046	55,078	\$2,871,658,978
Louisville Branch.....	4,472	232,232,370	1,731	142,417,842	194	3,593,637	3,712	6,179,121	10,109	384,422,970
Memphis Branch.....	3,924	118,201,921	4,139	203,808,015	579	5,635,219	880	1,942,877	9,522	329,588,032
Little Rock Branch.....	2,554	56,973,946	4,178	125,853,246	782	9,832,390	906	1,131,835	8,420	193,751,417
Total for 1922.....	30,829	\$1,683,136,842	23,955	\$1,353,424,604	12,072	\$711,789,072	16,273	\$31,110,879	83,139	\$3,779,461,397
Total for 1921.....	28,092	1,119,204,570	20,819	704,648,544	*10,000	* 600,000,000	20,812	31,867,416	79,723	2,455,720,530

\*Estimated.



**SCHEDULE 13.—National banks in District No. 8, granted fiduciary powers, during 1922, under Section 11 (k) of the Federal Reserve Act.**

First National Bank.....	Corning, Ark.
Simmons National Bank.....	Pine Bluff, Ark.
National Bank of Benld.....	Benld, Ill.
Security National Bank.....	East St. Louis, Ill.
First National Bank.....	Mascoutah, Ill.
American National Bank.....	Mt. Carmel, Ill.
Quincy National Bank.....	Quincy, Ill.
National City Bank.....	Evansville, Ind.
First National Bank.....	Columbia, Ky.
Third National Bank.....	Sedalia, Mo.
Security National Bank Savings and Trust Co.....	St. Louis, Mo.

**SCHEDULE 14.—Banks admitted to membership in Federal Reserve Bank of St. Louis, memberships terminated, etc., during 1922.**

**NEW NATIONAL BANK MEMBERS**

Name	Location	Capital and Surplus when admitted
Farmers National Bank.....	Cotton Plant, Ark.....	\$27,500
First National Bank.....	Lamar, Ark.....	27,500
Peoples National Bank.....	Stuttgart, Ark.....	55,000
Planters National Bank.....	Walnut Ridge, Ark.....	27,000
Security National Bank.....	East St. Louis, Ill.....	360,000
First National Bank.....	Xenia, Ill.....	27,500
First National Bank.....	Zeigler, Ill.....	38,500
*National City Bank.....	Evansville, Ind.....	550,000
First National Bank.....	Spurgeon, Ind.....	25,000
Planters National Bank.....	Clarksdale, Miss.....	550,000
Missouri National Bank.....	St. Louis, Mo.....	200,000
St. Louis National Bank.....	St. Louis, Mo.....	202,500

**STATE BANKS AND TRUST COMPANIES ADMITTED TO MEMBERSHIP**

Name	Location	Capital and Surplus when admitted
Lawrence County Bank.....	Walnut Ridge, Ark.....	\$160,000
Montgomery County Loan & Trust Co.....	Hillsboro, Ill.....	150,000
Farmers State Bank.....	New Athens, Ill.....	25,000
Corydon State Bank.....	Corydon, Ind.....	50,587
Louisville Trust Co.....	Louisville, Ky.....	967,320
Greenwood Bank & Trust Co.....	Greenwood, Miss.....	250,000
Bank of Pontotoc.....	Pontotoc, Miss.....	140,000
Planters Bank & Trust Co.....	Ruleville, Miss.....	110,000
City Trust Co.....	St. Louis, Mo.....	245,000
Easton-Taylor Trust Co.....	St. Louis, Mo.....	200,000
Jefferson Bank.....	St. Louis, Mo.....	350,000
Laclede Trust Co.....	St. Louis, Mo.....	235,000
Northwestern Trust Co.....	St. Louis, Mo.....	700,000
Savings Trust Co.....	St. Louis, Mo.....	250,000
Seruggs, Vandervoort & Barney Bank.....	St. Louis, Mo.....	200,000
Southern Commercial & Savings Bank.....	St. Louis, Mo.....	250,000
Greenfield Bank.....	Greenfield, Tenn.....	55,000

**MEMBERSHIPS TERMINATED**

Name	Location	Disposition
First National Bank.....	Cotton Plant, Ark.....	Receiver appointed
First National Bank.....	Walnut Ridge, Ark.....	Voluntary liquidation
Clay County State Bank.....	Louisville, Ill.....	Surrendered membership
Corydon National Bank.....	Corydon, Ind.....	Receiver appointed
*City National Bank.....	Evansville, Ind.....	Charter expired—succeeded by National City Bank
First National Bank.....	Rosedale, Miss.....	Voluntary liquidation
First National Bank.....	Tupelo, Miss.....	Voluntary liquidation

**TITLES CHANGED**

Old Name	Location	New Name
Peoples National Bank.....	Harrison, Ark.....	First National Bank
Saline Trust & Savings Bank.....	Harrisburg, Ill.....	First Trust & Savings Bank
First National Bank.....	White Hall, Ill.....	Peoples-First National Bank
Lincoln Savings Bank & Trust Co.....	Louisville, Ky.....	Lincoln Bank & Trust Co

**LOCATION CHANGED**

Branch of Grenada Bank, Grenada, Miss., moved from Woodland, Miss., to Sumner, Miss., under title of Bank of Sumner.

Description	Date of Issue	Maturity	Rate	Total Offering	Quota for District	Subscriptions	Allotments
Treasury Notes.....	February 1, 1922.....	March 15, 1925.....	4½%	\$600,000,000	\$24,000,000	\$53,198,100	\$17,384,200
Treasury Notes.....	March 15, 1922.....	March 15, 1926.....	4½	500,000,000	20,000,000	20,745,000	20,745,000
Tax Certificates.....	March 15, 1922.....	March 15, 1923.....	4½	250,000,000	10,000,000	43,271,500	10,000,000
Loan Certificates.....	April 15, 1922.....	October 16, 1922.....	3½	150,000,000	6,000,000	10,181,000	6,000,000
Tax Certificates.....	June 1, 1922.....	December 15, 1922.....	3½	200,000,000	8,000,000	9,792,000	8,000,000
Tax Certificates.....	June 15, 1922.....	June 15, 1923.....	3½	250,000,000	10,000,000	11,265,500	10,000,000
Treasury Notes.....	August 1, 1922.....	December 15, 1925.....	4½	500,000,000	20,000,000	12,250,000	12,250,000
Tax Certificates.....	September 15, 1922.....	September 15, 1926.....	4½	300,000,000	24,000,000	51,643,300	17,061,500
Treasury Bonds.....	October 16, 1922.....	October 15, 1923.....	3½	200,000,000	8,000,000	16,689,500	8,000,000
Tax Certificates.....	December 15, 1922.....	October 15, 1922.....	4½	1,000,000,000	40,000,000	62,397,400	38,341,500
Tax Certificates.....	December 15, 1922.....	March 15, 1923.....	3½	400,000,000	16,000,000	945,500	945,500
Treasury Notes.....	December 15, 1922.....	June 15, 1923.....	4				
Treasury Notes.....	December 15, 1922.....	June 15, 1925.....	4½	300,000,000	12,000,000	4,846,500	4,846,500
Totals for 1922.....	.....	.....	.....	\$4,650,000,000	\$198,000,000	\$321,995,400	\$177,777,400
Totals for 1921.....	.....	.....	.....	2,950,000,000	118,000,000	231,774,200	130,485,600

SCHEDULE 16.—Sales of United States Treasury Savings Certificates through Federal Reserve Bank of St. Louis.

Month	\$25 Certificates		\$100 Certificates		\$1,000 Certificates		Total Securities Sold	
	Number	Maturity Value	Number	Maturity Value	Number	Maturity Value	Number	Amount
January.....	67	\$1,675	258	\$25,800	88	\$88,000	413	\$115,475
February.....	22	550	182	18,200	67	67,000	271	85,750
March.....	15	375	234	23,400	151	151,000	400	174,775
April.....	40	1,000	313	31,300	143	143,000	496	175,800
May.....	49	1,225	470	47,000	231	231,000	750	279,225
June.....	75	1,875	425	42,500	285	285,000	785	329,875
July.....	68	1,700	425	42,500	222	222,000	715	266,200
August.....	70	1,750	445	44,500	163	163,000	678	209,250
September.....	123	3,075	767	76,700	442	442,000	1,332	521,775
October.....	17	425	86	8,600	61	61,000	164	70,025
November.....	63	1,575	277	27,700	81	81,000	421	110,275
December.....	1,004	25,100	3,539	353,900	432	432,000	4,975	\$11,000
Total for 1922.....	1,613	\$40,325	7,421	\$742,100	2,366	\$2,366,000	*11,400	*\$3,148,425

\* In 1921 there were 8,800 Treasury savings securities, amounting to \$391,230, sold through this bank. These included thrift stamps and war savings stamps, which were discontinued on January 1, 1922, and Treasury savings stamps, which were discontinued on October 1, 1922. None of these securities were sold during 1922.

SCHEDULE 17.—Redemption of United States Victory Notes by Federal Reserve Bank of St. Louis, during 1922.

	3½% Victory Notes			4¾% Victory Notes			Total Victory Notes Redeemed
	Cash Exemptions	Applied on Subscriptions to Other U. S. Securities	Total 3½% Notes Redeemed	Cash Redemptions	Applied on Subscriptions to Other U. S. Securities	Total 4¾% Notes Redeemed	Amount
St. Louis Parent Bank .....							
Little Rock Branch.....	\$2,953,150	\$20,000	\$2,973,150	\$20,614,250	\$46,851,900	\$67,466,150	\$70,439,300
Memphis Branch.....	18,250		18,250	342,450		342,450	360,700
Louisville Branch.....				1,021,150		1,021,150	1,021,150
Totals.....	\$2,971,400	\$20,000	\$2,991,400	\$25,945,000	\$46,851,900	\$72,796,900	\$75,788,300

SCHEDULE 18.—Redemption of United States Treasury certificates of indebtedness by Federal Reserve Bank of St. Louis.

	Cash Redemptions	Applied on Subscriptions to Other U. S. Securities	Totals
St. Louis Parent Bank.....			
Louisville Branch.....	\$66,052,500	\$6,689,000	\$72,741,500
Memphis Branch.....	7,963,000		7,963,000
Little Rock Branch.....	947,500		947,500
Totals for 1922.....	1,080,500		1,080,500
Totals for 1921.....	\$ 76,043,500	\$6,689,000	\$ 82,732,500
	100,432,000	7,477,000	107,909,000



**SCHEDULE 19.—Redemption of United States Thrift Savings Stamps, Treasury Savings Stamps and War Savings Stamps through Federal Reserve Bank of St. Louis.**

Month	Thrift Stamps		Treasury Savings Stamps		War Savings Stamps		Total Securities Redeemed	
	Number	Maturity Value	Number	Maturity Value	Number	Maturity Value	Number	Amount
January.....	16,814	\$4,203	75	\$ 75	83,406	\$ 417,030	100,295	\$ 421,308
February.....	14,824	3,706			68,386	341,930	83,210	345,636
March.....	13,391	3,348			59,683	298,415	73,074	301,763
April.....	12,902	3,225			50,659	253,295	63,561	256,520
May.....	9,787	2,447			41,678	208,390	51,465	210,837
June.....	8,737	2,184			33,252	166,260	41,989	168,444
July.....	9,005	2,251			26,334	131,670	35,339	133,921
August.....	7,884	1,971			24,204	121,020	32,088	122,991
September.....	6,575	1,644			18,834	94,170	25,409	95,814
October.....	7,968	1,992	375	375	17,309	86,545	25,632	88,912
November.....	6,750	1,683	181	181	60,625	303,125	67,556	304,994
December.....	36,689	9,172	98	98	3,447,282	17,236,410	3,484,069	17,245,680
Totals for 1922.....	151,326	\$37,831	729	\$729	3,931,652	\$19,658,260	*4,083,707	*\$19,696,820

\* Figures for November and December include war savings stamps maturing January 1, 1923, payment for which was made January 2, 1923. In 1921, there were redeemed through this bank 9,128 Treasury savings securities, of the value of \$170,555.

**SCHEDULE 20.—Exchanges, conversions and transfers of United States Liberty Bonds and Victory Notes handled by Federal Reserve Bank of St. Louis.**

	Received		Delivered	
	Pieces	Par Amount	Pieces	Par Amount
Temporary Coupon Bonds exchanged for Permanent Coupon Bonds.....	37,682	\$ 3,269,000	32,668	\$ 3,269,000
Coupon Bonds exchanged for Registered Bonds.....	36,422	10,062,300	15,312	\$ 930,450
Registered Bonds exchanged for Coupon Bonds.....	32,363	12,387,250	26,311	12,418,200
Registered Bonds transferred.....	9,013	3,207,450	7,088	3,058,750
Conversions.....	3,357	354,650	3,257	346,050
Denominational Exchanges.....	237,589	46,446,600	23,034	46,446,600
Mutilated Coupon Bonds replaced.....	26	12	2,450	2
Mutilated Registered Bonds replaced.....	1	100	1	100
Totals for 1922.....	356,453	\$ 75,729,450	107,683	\$ 74,491,600
Totals for 1921.....	1,191,302	233,107,600	988,906	269,310,353

SCHEDULE 21.—Coupons from United States Securities handled by Federal Reserve Bank of St. Louis.

Month	St. Louis Parent Bank		Louisville Branch		Memphis Branch		Little Rock Branch		Totals	
	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount
January.....	209,827	\$ 803,762	43,305	\$192,879	20,328	\$ 81,137	12,359	\$ 40,277	285,819	\$1,118,055
February.....	87,821	482,838	14,782	83,195	9,011	38,591	5,213	21,638	116,827	626,262
March.....	283,669	1,914,882	58,920	447,426	20,934	108,423	16,154	60,028	379,677	2,530,359
April.....	389,797	2,396,808	135,525	967,496	25,070	173,723	14,747	61,927	545,139	3,599,954
May.....	291,623	1,771,418	68,769	538,963	21,793	132,550	14,133	54,368	396,318	2,497,299
June.....	299,353	2,470,088	72,536	518,087	26,693	173,634	15,168	62,702	413,750	3,225,511
July.....	226,786	862,353	41,312	206,741	14,388	58,511	3,579	15,989	258,065	1,143,594
August.....	81,122	457,275	17,704	96,319	7,797	30,906	3,712	20,262	110,332	604,762
September.....	234,113	2,403,196	52,818	532,612	14,760	87,917	10,842	39,760	312,533	3,063,485
October.....	336,900	2,641,979	107,797	976,130	19,883	133,016	12,210	51,209	476,740	3,802,334
November.....	257,142	1,774,261	64,959	575,005	52,625	119,398	9,813	44,312	384,539	2,512,376
December.....	377,757	2,311,498	83,293	521,259	31,631	179,789	19,323	68,836	512,004	3,081,382
Totals for 1922.....	3,075,910	\$20,289,958	741,720	\$5,656,112	264,863	\$1,318,595	139,253	\$541,308	4,221,746	\$27,805,973
Totals for 1921.....	3,874,745	21,845,546	861,563	6,254,170	286,895	1,583,371	193,071	722,173	5,216,274	30,405,260

SCHEDULE 22.—Principal assets and liabilities of 37 reporting member banks in St. Louis, Louisville, Memphis, Little Rock and Evansville, as of last report date in each month during 1922. (In thousands of dollars.)

Last Report Date In	Total Loans and Discounts (Including Rediscunts with Federal Reserve Bank)		Investments		Net Demand Deposits		Time Deposits		Accommodation at Federal Reserve Bank	
	1922	1921	U. S. Securities		All Other		1922	1921	1922	1921
			1922	1921	1922	1921	1922			
January.....	\$434,036	\$504,751	\$35,927	\$69,108	\$64,611	\$309,318	\$155,196	\$141,394	\$23,228	\$70,014
February.....	436,854	494,313	40,055	33,927	65,255	320,376	157,761	144,231	14,377	62,126
March.....	423,146	478,563	40,608	33,866	65,877	315,073	157,883	143,336	9,332	55,671
April.....	416,762	465,889	42,247	32,299	67,382	314,652	160,195	142,839	7,372	50,863
May.....	414,495	455,823	40,391	32,707	67,051	313,504	158,346	143,382	15,569	49,659
June.....	404,628	464,604	52,633	31,037	67,405	307,995	159,965	142,838	8,827	55,778
July.....	412,721	449,342	51,153	28,803	66,570	313,741	163,873	142,568	2,495	53,354
August.....	407,824	439,565	53,141	29,878	67,157	319,741	170,386	144,720	1,940	44,882
September.....	419,859	441,728	58,729	36,245	67,324	323,167	172,033	145,679	10,465	45,153
October.....	437,700	438,022	71,948	30,010	68,879	328,872	174,654	148,356	13,339	37,307
November.....	433,875	439,424	71,421	30,619	69,683	337,315	178,201	150,077	15,953	41,065
December.....	458,001	446,650	75,914	33,348	69,550	365,572	179,379	150,427	18,703	40,933

**SCHEDULE 23.—Debits to Individual Accounts, being total debits charged by banks to checking accounts, savings accounts and trust accounts of individuals, firms, corporations and United States Government, also certificates of deposit paid. Charges to accounts of banks are not included. (In thousands of dollars.)**

Month	Evansville, Ind.		Little Rock, Ark.		Louisville, Ky.	
	1922	1921	1922	1921	1922	1921
January.....	\$ 23,887	\$ 22,419	\$ 42,669	\$ 47,858	\$125,911	\$111,484
February.....	21,271	18,432	38,800	38,425	123,319	155,340
March.....	28,153	20,150	40,690	39,146	137,985	133,617
April.....	24,307	20,816	37,479	39,797	129,881	126,910
May.....	29,824	20,728	38,865	36,574	147,613	126,822
June.....	31,135	22,449	39,941	38,682	143,172	133,233
July.....	31,297	23,912	38,866	35,218	134,931	122,852
August.....	26,643	20,588	36,958	36,965	124,800	116,249
September.....	29,651	20,686	52,609	48,838	129,403	117,138
October.....	30,843	22,260	66,117	51,047	143,091	126,325
November.....	29,062	21,959	61,916	46,207	139,758	127,122
December.....	35,128	23,935	65,544	48,101	165,524	137,584
Totals.....	\$341,201	\$258,334	\$555,454	\$506,858	\$1,645,388	\$1,534,676

Month	Memphis, Tenn.		St. Louis, Mo.		Totals for the 5 Cities	
	1922	1921	1922	1921	1922	1921
January.....	\$109,444	\$119,535	\$556,884	\$578,585	\$858,795	\$879,881
February.....	83,856	86,375	472,239	515,312	739,482	813,881
March.....	101,082	93,865	551,507	589,217	859,417	875,995
April.....	101,944	83,402	532,988	565,650	826,599	836,575
May.....	107,955	84,378	587,089	562,200	911,346	830,702
June.....	105,502	82,673	611,137	582,607	930,887	859,644
July.....	94,672	80,910	576,618	550,357	871,384	813,249
August.....	89,476	81,025	552,303	525,944	830,180	780,771
September.....	116,048	104,310	580,682	546,576	908,393	837,548
October.....	163,089	141,828	664,297	603,612	1,067,437	945,072
November.....	175,584	125,156	582,460	558,878	988,780	879,322
December.....	173,180	119,710	706,578	627,928	1,145,954	957,258
Totals.....	\$1,421,832	\$1,203,167	\$6,974,782	\$6,806,866	\$10,938,657	\$10,309,901



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For 1924

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## LETTER OF TRANSMITTAL

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FEDERAL RESERVE BANK OF ST. LOUIS

St. Louis, January 31, 1924.

Gentlemen: I have the honor to transmit herewith the ninth annual report of the Federal Reserve Bank of St. Louis, covering the year ended December 31, 1923.

Respectfully,

WM. McC. MARTIN,

*Chairman and Federal Reserve Agent.*

FEDERAL RESERVE BOARD,  
Washington, D. C.

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## GENERAL BUSINESS CONDITIONS

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In the Eighth Federal Reserve District the early months of 1923 were featured by marked expansion in commerce and industry. This state of affairs was not a sudden manifestation, but came as the culmination, or rather logical sequence, to developments of the eighteen months immediately preceding. Beginning in the summer of 1921 and extending through 1922, improvement was visible in business conditions. There was gradual growth in employment, increased production of commodities and consistent though irregular gains in wholesale and retail distribution. Purchasing power of the public as a result of these factors rose to a high level, and the opening of 1923 found avid markets for all varieties of merchandise. To meet the broadened outlet for commodities manufacturing was speeded up, and the demand for raw materials and labor assumed large proportions. This general movement was accompanied by price advances affecting many classes of merchandise and wage scales.

Largely as a result of the upturn in prices and costs, apprehensions were aroused among manufacturers and merchants, and in the spring there developed a disposition to caution and conservatism, accompanied by a recession in business activity. Throughout the balance of the year there was little deviation from the policy of conservatism inaugurated in the spring, but the volume of business was well sustained. Buying for forward requirements in virtually all lines was not so heavy as in some previous years, but there was no hesitation in purchasing all that was needed for current distribution. The trend was steadily toward price stabilization, and except in relatively few instances, the broad fluctuations which featured the war and post war periods were absent. The year closed with a considerable degree of confidence in many quarters, and optimism regarding the future was the prevailing sentiment in the business community.

### VOLUME OF BUSINESS

In point of production and distribution of merchandise, 1923 surpassed the records of previous years. There were none of the effects of overproduction which are often felt in years of large

industrial and agricultural activity. Speculation in commodities was at a minimum, and inventory taking at the end of the year disclosed stocks in all positions to be of moderate size and representing values close to current market levels.

Abundant evidence existed of the broad distribution and enormous consumption of merchandise. Performance of the railroads in the matter of revenue freight handled was on a remarkable scale. Complete reports for the year showed the largest car loadings in history, the total exceeding the previous record, that of 1920. The volume of retail trade for every month of 1923 was larger than for the corresponding period of 1922. The crest of production as a whole was reached in May, and regarding the recession in industrial activity which followed, the comment is made that the change was due to hesitancy on the part of business concerns in placing forward orders rather than a lessening of demand from ultimate consumers. Further, the accompanying price declines were mainly in materials used in industry and were less felt in consumers' goods.

An outstanding feature in the year's business history was the unprecedented amount of building of all descriptions. The demand for homes was particularly large, and of permits granted in this district, those for residential building predominated. Throughout the year the demand for building materials was urgent, and artisans in the building crafts found full employment, with shortages reported in a number of localities. In number of building permits issued in the five largest cities of the district for new construction there was a gain of 26.3 per cent over the 1922 total, while the cost in 1923 exceeded the total of the earlier period by 21.6 per cent.

The notable expansion in general business and recovery of prices was reflected in a goodly reduction in both the number of commercial failures and amount of liabilities. Improvement in this district was particularly pronounced, the number of defaults showing a decrease of 36.6 per cent and the indebtedness a drop of 38.8 per cent in 1923 as compared with the preceding twelve-month period. As was the case in 1922, examination of the year's commercial mortality disclosed relatively few failures of old and well established concerns.

The increased business activity during 1923 was also reflected in the debits to individual accounts by banks. The total debits in the five largest cities of this district for 1923 showed an increase of 17 per cent over those of the preceding year. Schedule 20 in the appendix gives the debits for each of the centers mentioned.

## **AGRICULTURAL CONDITIONS**

Yields of the three chief cereal crops, wheat, corn, and oats, were larger in the Eighth Federal Reserve District in 1923 than the year before. Potatoes, another important food crop, were in more abundant yield than in 1922. Relative to fruits and vegetables generally there was considerable irregularity, with satisfactory yields in some sections and failures or partial failures elsewhere. The hay crop was smaller than in 1922, and the same was true of rice, with quality for the latter crop much lowered by unfavorable weather at harvest. The outturn of tobacco exceeded that of 1922, but due to unfavorable growing weather and other factors, quality of the leaf was not up to the standard of the preceding year. Cotton production in this district was smaller in 1923 than in 1922. However, the sharp advance in cotton prices prevented a reduction in the income of most cotton farmers.

Taken as a whole agricultural operations in this district during the year under review were successful. Better prices were paid farmers on an average for their products, and the end of the year found the feeling in the country much more hopeful than at the end of 1922. A significant development was the closer adjustment which took place between prices of farm products and the commodities with which farmers must supply themselves. While there is still much to be accomplished in this direction, especially in the case of wheat and live stock, the year was marked by good progress toward final balancing of the two general groups.

Reports indicate that there was greater diversification of crops, and more intensive and improved methods of farming. More attention was also paid to such matters as scientific marketing, better seed, fertilization, irrigation and modern farm machinery.

## **BANKING CONDITIONS**

In this district the banking situation during 1923 was characterized by extraordinary strength. There was notable growth in credits to meet the increased demands of enlarged business, and throughout the year funds were ample to supply all legitimate requirements with no evidence of strain. At the beginning of the year the demand for commercial credits was strong. Later in the year the high level of demand was sustained by requirements for moving and marketing crops and by the heavy volume of fall trade.

Rates charged by the commercial banks were sufficiently low to insure profitable borrowing by their customers, and at no time during the year was the discount rate of the Federal Reserve Bank



of St. Louis above  $4\frac{1}{2}$  per cent. The customary discount and interest rates charged by commercial banks in St. Louis ranged from  $4\frac{1}{2}$  to 6 per cent. In other parts of the district the rates were somewhat higher.

The movement of loans, investments and deposits of the 35 reporting member banks in Evansville, Little Rock, Louisville, Memphis, and St. Louis, among which are the largest banks in the district, is typical of changes in the general situation which took place in course of the year. Their total loans and discounts (including rediscounts) on January 10, 1923, were \$457,782,000, from which point they moved upward to \$458,595,000, which was reached on February 14. From that date there was an irregular movement downward within relatively narrow limits until July 11, when the low point of the year, \$446,948,000, was touched. After that date the trend was consistently upward, the high total for the year, \$473,216,000, being recorded on December 26. The movement of deposits was in rather sharp contrast with the preceding year. During 1922 the trend was irregularly upward, while in 1923 the largest total, \$578,800,000, was recorded on January 17. Following that date there was an irregular decline until October 24, when the low point of \$522,295,000 was touched. A recovery brought the total up to \$541,389,000 on December 12, and on the final reporting day of the year, December 26, the total was \$538,217,000. The largest amount of stocks, bonds and other securities held by the reporting banks, \$171,857,000, was reached on March 21, while the low point, \$152,618,000, was recorded on November 21. Schedule 19 shows the changes in principal asset and liability items of the 35 reporting member banks during the year.



## OPERATIONS OF FEDERAL RESERVE BANK OF ST. LOUIS

The year under review was marked by notable increases in the operations performed by the principal departments of this bank. In the table which follows it will be observed that the discount facilities were more extensively used than during the preceding year, and that the volume of currency and coin received and counted showed a large gain. There was also a heavy increase in the number and amount of clearing items handled, as well as collections made. The fiscal agency department was particularly active throughout the year, and generally the physical volume of the work performed was considerably in excess of that of 1922.

	Pieces Handled		Amounts Handled	
	1923	1922	1923	1922
Bills discounted .....	57,036	43,624	\$1,679,671,174	\$865,856,421
Bills purchased for own account.....	2,074	3,442	35,011,449	46,840,682
Currency received and counted.....	105,277,798	94,930,894	520,880,787	473,064,814
Coin received and counted .....	121,127,520	126,429,142	14,705,062	13,631,282
Checks handled.....	43,736,724	38,476,104	9,547,432,042	6,114,443,669
Collection items handled:				
U. S. Government				
coupons paid.....	3,469,827	4,221,746	28,416,162	27,805,973
All other.....	244,289	197,169	395,426,421	267,681,432
U. S. securities—issues, redemptions, and exchanges by fiscal agency dept.....	9,645,487	918,812	356,964,335	494,024,713
Transfers of funds....	103,591	83,129	3,582,323,288	3,779,461,397

### INCOME AND DISBURSEMENTS

Gross earnings of this bank in 1923 were \$2,753,435 and current expenses \$1,472,675, leaving current net earnings of \$1,280,760. For the previous year the gross earnings amounted to \$2,456,447, current expenses \$1,623,222, and net earnings \$833,225.

Out of the net earnings for 1923, the member banks received \$296,810 in dividends, \$478,283 were paid as a franchise tax to the Government and \$407,070 were transferred to surplus.

Analysis of the earnings shows that bills discounted for member banks furnished the major part of the revenue, \$1,968,788 being

derived from that source. Acceptances bought and United States securities yielded \$253,773 and \$520,780, respectively.

Schedule 3 gives in detail the earnings and expenses for 1923 as compared with the preceding year.

### ASSETS AND LIABILITIES

Between December 31, 1922 and the corresponding date in 1923, the total resources of this bank decreased from \$224,676,000 to \$194,570,000. Bills discounted increased from \$30,082,000 to \$57,282,000, but there was a decrease in total earning assets from \$62,661,000 to \$57,325,000, due to the reduction in holdings of purchased bills and elimination of Government securities. The daily average amount of earning assets held was \$62,368,000. Total cash reserves decreased from \$117,887,000 to \$102,331,000, the average reserves for the year being \$98,049,000.

Among the liabilities of this bank, Federal Reserve notes in circulation declined from \$93,659,000 to \$75,872,000, between the dates mentioned. The daily average amount in circulation was \$78,508,000. Total deposits decreased from \$76,936,000 to \$73,608,000, with an average of \$73,201,000 for the year.

Movement of the principal asset and liability items during 1923 is set forth in Schedule 1 and the chart in the appendix. A comparative statement of condition as of December 31, 1923 and 1922, is given in Schedule 2.

### RESERVE POSITION

All through the year 1923 the reserve position of this bank continued strong.

On January 1 the ratio of total reserves to deposit and Federal reserve note liabilities stood at 69.1 per cent, but a seasonal surplus of funds brought it to 74.8 on February 26, which figure marked the high point of the year. Spring demands made the trend irregularly lower until June 21, when the ratio touched 61.1. A slight upturn to July 31 brought the figure to 71.2, but at this time the crop-moving demand began to make itself felt, and the trend was progressively lower, until on September 29 it touched 49.2, the low point of the year. This figure compares with 58.7 per cent, the low for 1922, which was reached on September 16 of that year.

A heavy demand from members continued through the last three months of the year, but reduction of the bank's investments



caused the trend of the reserve ratio to be irregularly upward until December 11, when it was 69.5 per cent. Thereafter, holiday demands caused a downward movement until December 20, when the ratio stood at 61.1 per cent. After this date there was a moderate decline in the amount of accommodations for members, with the result that the reserve ratio stood at 68.5 per cent on December 31.

Total cash reserves, deposit and Federal reserve note liabilities and reserve percentages by weeks are shown in Schedule 1.

### DISCOUNT OPERATIONS

The amount of paper discounted by this bank for its members during the year under review was nearly double the accommodations extended in 1922. A total of \$1,679,671,174 was discounted, while the amount for 1922 was \$865,856,421.

The number of notes discounted was 57,036, as compared with 43,624 during the previous year. Applications for accommodation numbered 10,618, as against 9,802 in 1922. The discount facilities were used by 362 different member banks, while during the preceding twelve month period the number was 400. Schedule 4 gives the volume of the several classes of paper discounted by the parent bank and each branch; the amount of paper received from each State each month, and the number of banks in each State accommodated.

The discount operations of this bank during 1923 reflected the seasonal demands for credit more closely than in any year of the post-war period. The volume of bills discounted dropped off sharply immediately after the first of the year, but early in March began to increase. Thereafter the curve described an irregularly upward course through the spring and summer, reflecting demand from the agricultural sections for harvest and movement of crops. At the end of January bills discounted for member banks amounted to \$15,804,000, and on October 2 had increased to \$76,844,000, the peak figure for the year. From that date until the end of November the curve bent downward almost without interruption until December, when holiday requirements caused an upward deflection. On December 31 the amount held was \$57,282,000, which indicated a well sustained demand for funds up to the very close of the year. The amount of discounted paper held each week is shown in Schedule 1.

The Federal Reserve Act was amended by the Agricultural Credits Act of March 4, 1923, so as to permit reserve banks to discount sight or demand drafts secured by shippers' order bills of lading. This new facility was of distinct advantage to many member banks, especially during the crop moving period. A total of 4,404 of such drafts, amounting to \$31,603,461, was handled by this bank from the date mentioned to the close of the year.

### INVESTMENT PURCHASES

On account of the increased demand for accommodations from member banks during 1923, open market operations were considerably less than in the previous year.

A total of \$35,011,449 of bankers' acceptances was purchased, as compared with \$46,840,682 in 1922. The number of bills purchased was 2,074, as against 3,442 during the preceding year.

The majority of acceptances were bought during the early months of the year and were of short maturities, so that bill holdings steadily declined to meet the increase in discounts for member banks. On January 1 this bank held purchased bills aggregating \$13,028,000, while at the end of the year they amounted to only \$43,000.

Purchases of Government securities amounted to \$85,257,200, as compared with \$145,239,550 in 1922. Of the former amount, \$70,500,000 consisted of purchases from the Government of special certificates of indebtedness, running for a day or so, to cover temporary advances to it. The total for 1922 included \$98,000,000 of such certificates.

At the beginning of 1923, this bank held Government securities aggregating \$19,551,000. These were gradually liquidated and no Government securities were held at the close of the year.

Schedule 5 shows the investment purchases by months. The amounts of purchased bills and Government securities held each week are given in Schedule 1.

### DISCOUNT RATES

The discount rate of this bank remained at  $4\frac{1}{2}$  per cent for all classes and maturities of eligible paper throughout 1923, as shown by Schedule 6.

## CURRENCY TRANSACTIONS

The volume of currency handled by this bank during 1923 shows a substantial increase over that of 1922.

In course of the year 105,277,798 pieces of paper currency amounting to \$520,880,787, and 121,127,520 coins amounting to \$14,705,062, were received from all sources and counted by this bank. The total number of pieces of paper currency and coin received and counted was 226,405,318, aggregating \$535,585,849, as against 221,360,036 pieces totalling \$486,696,096 during the preceding year. Schedule 7 gives the amount of paper currency and coin handled by the parent bank and each branch.

This bank continued its practice of absorbing the postage and insurance or expressage on shipments of paper currency, subsidiary silver and minor coin to its member banks and on shipments of paper currency and all coin from the member banks to it. This bank also absorbed the costs of shipments of paper currency and coin received from nonmember banks remitting regularly to the Federal Reserve Bank at par.

## FEDERAL RESERVE NOTES

Volume of business considered, the amount of Federal reserve notes issued by this institution during 1923 was relatively light as contrasted with former years. This is accounted for largely by the growth in use of checks for settlement of payrolls and for general current expenditures by the public and the fact that Government issues of currency were extensively used to meet demands of the commercial banks for cash. The largest amount of Federal reserve notes in circulation was \$94,755,000 on January 2, and from that date there was an almost unbroken decline until August 31 when the low point of \$70,864,000 was touched. In response to needs of agriculture and fall trade the curve turned upward during the balance of the year, with the stimulation of holiday demand bringing the total to \$78,507,000 on December 28. The amount of notes in circulation each week is shown in Schedule 1.

During 1923 the Federal Reserve Agent issued or reissued to the Federal Reserve Bank of St. Louis \$33,220,000 of Federal reserve notes against gold and eligible paper pledged, as compared with \$63,430,000 in 1922. In course of the year the bank returned \$8,000,000 of fit notes to the Federal Reserve Agent, and the Treasurer of the United States redeemed \$45,999,080 of unfit notes.



Federal reserve notes of this bank outstanding on December 31, 1923, amounted to \$92,258,665. These were secured by \$49,423,825 of gold and \$57,301,313 of eligible paper pledged with the Federal Reserve Agent. Of the \$92,258,665 of notes outstanding, \$15,967,170 were held by the parent bank and its branches, \$419,000 were in transit to Washington for redemption and \$75,872,495 were in actual circulation. Schedule 8 shows the amount of each denomination issued, returned and redeemed during 1923, and outstanding December 31, 1923.

Of the \$49,423,825 of gold held by the Federal Reserve Agent on December 31, 1923, to secure Federal reserve notes, \$36,000,000 were deposited in the Federal reserve agents' fund in Washington. Through this fund transfers were made by wire between the Federal Reserve Bank and the Federal Reserve Agent, as well as transfers to the fund in Washington used to redeem unfit notes.

#### TRANSIT OPERATIONS

The check collection service of this bank was used more extensively during 1923 than in any previous year.

Checks numbering 43,736,724, with face value of \$9,547,432,042, were handled, which compares with 38,476,104 checks, amounting to \$6,114,443,669, cleared in 1922. The daily average number of items handled was 143,366, as against 128,682 for the preceding year. Of the total number and amount of checks handled during 1923, 19 per cent of the number, representing 76 per cent of the aggregate amount, were checks drawn on local banks, while 73 per cent of the number and 21 per cent of the amount represented checks drawn on other banks in the district, the balance representing the several other classes of items. Schedule 9 shows the number and amount of the various classes of clearing items handled by the parent bank and each branch.

At the end of the year 414 member banks were using the clearing facilities, as against 371 at the close of 1922. No change occurred in the number of banks which were granted the privilege of direct routing of checks payable in other Federal reserve districts.

During the year a number of nonmember banks closed their clearing accounts, which were maintained solely for the purpose of receiving preference in handling checks drawn on themselves and neighbor banks. At the end of the year there were only 28 nonmember banks maintaining accounts, against 65 at the close of 1922.

On December 31, 1923, out of the total of 3,236 banks in the Eighth District, checks were being collected at par on 3,003 banks. The difference of 233 non-par banks by States is as follows: Arkansas, 32; Illinois, 5; Indiana, 3; Kentucky, 4; Mississippi, 163; Missouri, 16 and Tennessee, 10.

### **COLLECTION OF NOTES, COUPONS, ETC.**

During 1923 member banks made increased use of the facilities of this bank for the collection of notes, drafts, acceptances, certificates of deposit, bonds, coupons, etc.

In course of the year this bank received for collection 214,489 notes, drafts, bills, etc., amounting to \$368,108,754, and 29,800 coupons and bonds (except Government) aggregating \$27,317,667. The total number of such collection items was 244,289 and the amount, \$395,426,421, which compares with 197,169 items, aggregating \$267,681,432, handled in 1922. This increase was made in spite of the fact that 34 banks were granted the privilege of direct routing of items payable in other Federal reserve districts.

This bank also received and paid 3,469,827 Government coupons, with a face value of \$28,416,162. During 1922, a total of 4,221,746 Government coupons amounting to \$27,805,973, was handled.

Schedule 10 shows the number and amount of the different classes of collection items handled by the parent bank and each branch.

### **GOLD SETTLEMENT FUND**

The gold settlement fund in Washington again demonstrated its great worth in 1923. Through it the settlement of check clearings between Federal reserve banks, transfers of funds between reserve districts and transfers of funds for the United States Treasury were effected daily. These transactions were dispatched over the private wire system which connects the several Federal reserve banks and the Federal Reserve Board.

During the year, total receipts by this bank through the gold settlement fund amounted to \$6,141,900,000, and total disbursements aggregated \$6,137,835,000, showing a gain of \$4,065,000. The bulk of the transactions consisted of clearings and transfers between this bank and other Federal reserve banks. The balance to the credit of this bank in the gold settlement fund on December 31 was \$35,272,000. Schedule 11 shows the volume of the different transactions through the fund.

## TRANSFERS OF FUNDS

Member banks made extensive use during the year of the facilities offered by this institution for transferring funds. Telegraphic transfers between member banks in this district and other districts, as well as between member banks within this district, were effected over the private wire system. Settlements were made through the gold settlement fund.

During 1923, this bank handled 39,213 outgoing wire transfers, amounting to \$1,707,947,166, and 28,684 incoming wire transfers, involving \$1,396,549,746. A total of 18,350 outgoing and incoming transfers, representing \$447,723,756, was also effected by mail. The department handling these operations also made 17,344 deposits, involving \$30,102,620, for National banks to their 5 per cent redemption funds in Washington.

The total number of transfers of all descriptions handled in 1923 was 103,591 representing \$3,582,323,288, as against 83,129 transfers involving \$3,779,461,397 during the preceding year. The number and amount of transfers handled by the parent bank and each branch are given in Schedule 12.

## SECURITIES HELD FOR SAFEKEEPING

During the year under review member banks availed themselves more freely than heretofore of the gratuitous custody service offered by this institution. This consisted of receiving and holding for safekeeping United States securities, maturing notes and bills and other paper eligible for rediscount or acceptable as collateral. This service saved the banks transit hazard and expense.

In numerous instances member banks which placed subscriptions for Government securities requested that the securities be held for them. Besides complying with such requests this bank clipped maturing coupons from Government securities and collected maturing notes and bills, making disposition of the proceeds according to instructions of the member banks.

At the end of 1923 the securities held in safekeeping for member banks amounted to \$34,750,070, as compared with \$29,773,402 at the close of 1922.

This bank held securities for safekeeping for the United States Treasury, War Finance Corporation, etc., as well as for member banks. The total amounts of securities held for safekeeping for



the Treasury Department, War Finance Corporation, member banks, etc., at the close of 1923 and 1922 were as follows:

	Dec. 31, 1923	Dec. 31, 1922
St. Louis Parent Bank.....	\$117,453,606	\$162,221,714
Louisville Branch.....	7,244,037	5,877,015
Memphis Branch.....	3,654,091	11,823,612
Little Rock Branch.....	3,065,879	4,599,972
Totals.....	\$131,417,613	\$184,522,313

**FIDUCIARY POWERS GRANTED**

During 1923 sixteen National banks in the Eighth District were granted permission by the Federal Reserve Board to exercise fiduciary powers under Section 11(k) of the Federal Reserve Act. Schedule 13 gives the names and locations of the banks.

At the end of the year there were 112 National banks in this district authorized to exercise fiduciary powers. The distribution of these banks by States was as follows: Arkansas, 18; Illinois, 28; Indiana, 18; Kentucky, 24; Mississippi, 2; Missouri, 20, and Tennessee, 2.

**RELATIONS WITH BANKS**

Following the practice inaugurated in 1922, field representatives of this institution made regular calls on the member banks, most members receiving two visits during the year. The number of calls on member banks in 1923 was 981. In addition, where time permitted, the representatives invariably called on nonmember banks located in the same towns with members. The effect of these visits has been to foster closer relations between this bank and its members, and to better familiarize officers of member banks with the services provided for their use by the Federal Reserve System. A direct result is reflected in the greater efficiency and smoothness in the transaction of routine business with the members.

Conventions and group meetings of the various bankers' associations in States of the Eighth District were attended by representatives of the parent bank and branches. Upon request, addresses were made by officers of the Federal Reserve Bank before gatherings of bankers, commercial organizations, educational institutions, etc.

Each month during the year this bank continued to issue to member banks and others desiring it, a review of business conditions. The scope of this publication was broadened by the addition of a number of new regular reports and the introduction of special

studies. An added feature was a summary of business conditions in the United States, supplied by the Federal Reserve Board. At the end of the year the circulation of the review was approximately 9,200 copies.

In course of the year this bank distributed four pamphlets: "Financing the Production and Distribution of Cotton," "Agricultural Credits Under the Federal Reserve Act," "Of Service to Banks and Business" and "Advantages of Membership in the Federal Reserve System." The latter two were sent to member and nonmember banks, and the first two to bankers and others likely to be interested in their contents. This institution also cooperated in the Federal reserve exhibit at the convention of the American Bankers' Association, held at Atlantic City, September 24 to 27.

### **MOVEMENT OF MEMBERSHIP**

During the year 19 new National banks became members of the Federal Reserve Bank of St. Louis and the memberships of 7 were terminated through liquidations, etc. Seventeen State banks and trust companies became members, the memberships of 6 were terminated through liquidation, etc., and 3 surrendered their memberships. Schedule 14 gives a list of the National and State banks which became members or terminated their memberships.

On December 31, 1923, this bank had a membership of 630, consisting of 501 National banks and 129 State banks and trust companies. Of the total number of member banks 404 were assigned to the parent bank, 73 to the Little Rock Branch, 95 to the Louisville Branch and 58 to the Memphis Branch.

The amendment of March 4, 1923, to the Federal Reserve Act permitted State banks and trust companies to become members with a capital equal to 60 per cent of the amount required of National banks, provided the capital is increased to the full amount within five years, but up to the close of the year only 2 State banks in the district had become members under this provision.

While the number of member banks at the close of the year represented only 26 per cent of those eligible to membership, their resources represented over 66 per cent of the total resources of all eligible banks in the district. Several applications of State banks for membership were pending at close of the year.

### **EXAMINATION DEPARTMENT**

During 1923, examiners for this bank made 118 credit investigations of member State banks and trust companies. These were

made in conjunction with examinations by the State banking departments. The Federal reserve examiners also made 16 examinations of State banks applying for membership, of which 12 were made independently and 4 jointly with State examiners.

During the year, this bank called on the State member banks for 4 reports of condition, as of the following dates: April 3, June 30, September 14 and December 31. The Comptroller of the Currency called on the National banks for 4 reports of condition, as of the same dates.

Copies of the periodical reports of condition, semi-annual reports of earnings and dividends and reports of examinations of the National banks in the district, as well as those of State bank members, were received and handled by the Examination Department.

### **FOREIGN ACCOUNTS**

During 1923 this bank participated with the New York Federal Reserve Bank in certain investment transactions for account of the following banks: Bank of England, London, England; Bank of France, Paris, France; Bank of Japan, Yokohoma, Japan; Bankovni Urad Ministerstva Financi, Prague, Czecho Slovakia; De Nederlandsche Bank, Amsterdam, Holland; National Bank of Belgium, Brussels, Belgium; Swiss National Bank, Berne, Switzerland, and De Javasche Bank, Medan, Sumatra.

The combined free balances of the above banks on January 1, 1923 was \$47,000. The balance remaining to their credit at close of business December 31, 1923, was \$71,665.

The combined contingent liabilities carried on the books of this institution for the above banks on January 1, 1923, were \$1,618,000, while at the close of the year they amounted to \$836,000.

### **INTERNAL ORGANIZATION**

On January 1 the Board of Directors of the Federal Reserve Bank of St. Louis was composed of the following members; John G. Lonsdale, John C. Martin and J. C. Utterback, Class A directors; LeRoy Percy, W. B. Plunkett and Rolla Wells, Class B directors, and Wm. McC. Martin, John W. Boehne and C. P. J. Mooney, Class C directors. Wm. McC. Martin was Chairman of the Board and Mr. Boehne was Deputy Chairman. Of these directors the terms of Messrs. Boehne, Lonsdale and Percy expired on December 31, 1923. Mr. Boehne was reappointed a Class C director by the



Federal Reserve Board for a three year term beginning January 1, 1924.

An election was held, terminating December 3, to choose successors to Directors Percy and Lonsdale. Mr. Percy was chosen to succeed himself as a Class B director by member banks in Group 3 and Mr. Lonsdale was reelected a Class A director by member banks in Group 1, each to serve three years from January 1, 1924.

On January 3, 1923, the Board of Directors reelected Directors Boehne, Lonsdale and Wells to serve on the Executive Committee with the Governor and Federal Reserve Agent. Throughout the year the Executive Committee met on Mondays, Wednesdays and Fridays.

At its January 3 meeting the Directorate also elected the following officers for the year 1923:

For parent bank at St. Louis: David C. Biggs, Governor; Olin M. Attebery, Deputy Governor; J. G. McConkey, Counsel and Secretary; J. W. White, Cashier; A. H. Haill, J. W. Rinkleff, W. H. Glasgow, S. F. Gilmore, E. C. Adams, and F. N. Hall, Assistant Cashiers; E. J. Novy, General Auditor and H. L. Trafton, A. E. Debrecht, E. I. Nowotny, L. A. Moore, C. E. Martin, and L. T. Walker, Assistant Auditors.

For Louisville Branch: W. P. Kincheloe, Manager; John T. Moore, Cashier, and Earl R. Muir, Assistant Cashier.

For Memphis Branch: John J. Heflin, Manager; A. J. Williams, Cashier, and V. S. Fuqua, Assistant Cashier.

For Little Rock Branch: A. F. Bailey, Manager; M. H. Long, Cashier, and F. A. Coe, Assistant Cashier.

The following directors for the branches were designated to serve during 1923:

	Appointed by Board of Parent Bank in St. Louis.	Appointed by Federal Reserve Board in Washington.
Louisville Branch:	George W. Norton, W. C. Montgomery, and W. P. Kincheloe.	F. M. Sackett and Embry L. Swearingen.
Memphis Branch:	John D. McDowell, R. B. Snowden, and John J. Heflin.	T. K. Riddick and S. E. Ragland.
Little Rock Branch:	J. E. England, Jr. John M. Davis, and A. F. Bailey.	Moorhead Wright and C. S. McCain.

Festus J. Wade, President of the Mercantile Trust Company, St. Louis, was reelected to represent the Federal Reserve Bank of St. Louis in the Federal Advisory Council during 1923.

C. M. Stewart was reappointed Assistant Federal Reserve Agent at the beginning of the year.

On March 21, 1923, V. S. Fuqua was promoted to the cashier-ship of the Memphis Branch to succeed A. J. Williams, resigned, and S. K. Belcher was elected Assistant Cashier. On September 16, F. P. Maguire was elected Assistant Auditor, to succeed L. T. Walker, resigned.

The number of employees at the head office and each branch on December 31, 1923, and the same date in 1922 were as follows:

	Dec. 31, 1923	Dec. 31, 1922
St. Louis Parent Bank.....	451	498
Louisville Branch.....	86	89
Memphis Branch.....	75	80
Little Rock Branch.....	60	60
Totals.....	672	727

Of the entire personnel at the close of the year, 75 were engaged in fiscal agency work, which number included 17 temporarily employed to assist in redemption of war savings securities maturing January 1, 1924. At the end of 1922 there were 109 officers and employees engaged in fiscal agency work.

### BANKING QUARTERS

During the year under review the Federal Reserve Bank of St. Louis continued to occupy rented quarters in the Federal Reserve Bank Building, northeast corner of Broadway and Pine street, and five floors of the adjoining Commerce Trust Building, also space in a building at the northeast corner of Fourth and Olive streets, part of the space formerly used by the Sub-Treasury in the Custom House, Ninth and Olive streets, and storage space in the Planters Building, Fourth and Pine streets.

Contracts were let for and work started on the new permanent quarters, which will occupy a site previously purchased and having a continuous frontage on Broadway, Locust and Fourth streets. At the close of the year driving of piles had been completed and fair progress made on the foundation of the building and vault.

There was no change in location of quarters of the branches at Louisville, Memphis and Little Rock. However, arrangements were being completed for an addition to the Louisville building, as well as for erection of a building at Little Rock. The latter structure will occupy the site at Third and Louisiana streets, purchased for the purpose in 1921.

## FISCAL AGENCY OPERATIONS

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The functions performed by the Federal Reserve Bank of St. Louis during 1923, as fiscal agent of the United States, consisted in the main of the sale and delivery of new short-term Government securities and Treasury savings certificates in this district; the exchange and conversion of Liberty bonds and Victory notes; the redemption of United States certificates of indebtedness, Victory notes and war savings securities, and the handling of Government deposits and disbursements.

Redemption of war savings stamps, which matured January 1, 1923, and the redemption of  $4\frac{3}{4}$  per cent Victory notes, which matured May 20, 1923, augmented the volume of fiscal agency operations materially.

### SALE OF GOVERNMENT SECURITIES

During 1923 the United States Government offered eight issues of notes and certificates of indebtedness. Individuals, banks and other corporations in this district subscribed to \$163,237,100 of the issues, of which \$105,447,400 were allotted by the Treasury Department. This bank delivered during the year a total of \$126,901,900 of new Government securities, including the \$105,447,400 allotted in 1923 and \$21,454,500 of those allotted in 1922. The total number of new securities delivered was 84,282.

Of the eight issues above mentioned, six were tax certificates of indebtedness. Two offerings were Treasury notes maturing in 1927. These notes were issued in anticipation of refunding the Victory notes which matured May 20, 1923. Schedule 15 shows the rate, subscriptions, allotments and other details for each issue.

The sale of Treasury savings certificates in the Eighth District by the Treasury Savings Organization, was increased from \$11,759,792 in 1922 to \$15,069,483 during 1923. Of the latter total, \$3,227,025 representing 15,501 pieces, were sold and delivered by this bank. The remainder was sold by post offices. The selling campaign was under direction of Hugh B. Werner, Government Director of the Treasury Savings Organizations of this district.

The exchange of war savings stamps (which matured January 1, 1923) for Treasury savings certificates increased sales considerably during the early part of the year. On December 1, the Treasury Department announced a new issue of Treasury savings certificates at a higher rate of interest, compounded semi-annually if



held until maturity. This, in conjunction with the exchange of war savings stamps (maturing January 1, 1924) for Treasury savings certificates, increased the sales in the last month of the year.

Schedule 18 gives the number and amount of Treasury savings securities handled by the parent bank and each branch.

### **REDEMPTION OF GOVERNMENT SECURITIES**

During 1923 this bank redeemed a total of \$9,550 of the 3¾ per cent Victory notes called for payment June 15, 1922. The uncalled 4¾ per cent Victory notes, bearing serial letters G to L inclusive, matured May 20, 1923. The Secretary of the Treasury gave the holders of these notes the option of redeeming them before that date. This bank redeemed a total of \$53,950,900 of these securities, involving 228,163 pieces, during the year. This total includes \$13,550,900 of notes applied on subscriptions to other issues, the remainder being redeemed in cash.

This bank redeemed during 1923 a total of 11,535 Treasury certificates of indebtedness, amounting to \$33,696,000, of which \$26,219,000 were redeemed in cash and \$7,477,000 were applied on subscriptions to other issues. In addition \$8,006,400 of United States Treasury notes and \$3,500,000 of Liberty bonds were purchased for the Treasury Department.

Schedule 16 shows the number and amount of Government bonds, notes and certificates of indebtedness redeemed by the parent bank and each branch.

There were redeemed through this bank during the year 9,144,914 thrift stamps, Treasury savings stamps and war savings stamps, amounting to \$44,216,010. This large number of redemptions was due to the presentation of war savings stamps which matured January 1, 1923. Schedule 18 gives the number and amount of Treasury savings securities redeemed by the parent bank and each branch.

### **EXCHANGE AND CONVERSION OF GOVERNMENT SECURITIES**

The total transactions in connection with the exchange and conversion of Government securities was somewhat smaller in volume during 1923 than in 1922. The greatest activity was in denominational exchanges and exchange of coupon bonds for registered bonds.

This bank received for exchange or conversion 158,727 securities having a par value of \$83,456,550 and delivered 82,136 pieces amounting to \$50,419,700. Schedule 17 gives the number and amount of each exchange operation.

## GOVERNMENT DEPOSITS

Sixteen more banks qualified to receive deposits arising out of the sale of Treasury bonds, notes and certificates of indebtedness in 1923. Adding these sixteen to the number which had qualified prior to January 1, 1923, and deducting those which were dropped from the list, there remained 247 Government depositaries at the end of the year, which compares with 236 on December 31, 1922. This bank performed all duties incident to the deposit and withdrawal of such funds.

The largest amount of deposits outstanding with depositaries at any one time in 1923 was \$21,072,000 on May 15. The amount outstanding on December 31, 1923, was \$8,819,250 as compared with \$16,172,600 at the close of 1922. The deposits made with depositaries during the year aggregated \$69,764,333. Interest on such deposits collected by the Federal Reserve Bank for account of the United States Government in course of the year amounted to \$240,116.

This bank passed on all collateral pledged as security for these deposits. Most of the collateral was in custody of the parent bank and its branches. However, some was held by outside custodians, which were appointed to facilitate the work. At the end of the year there were three outside custodians.

Government deposits in the Federal Reserve Bank of St. Louis at the close of business December 31, 1923, amounted to \$3,042,000, as compared with \$1,211,000 on the last day of 1922.

## WAR FINANCE CORPORATION

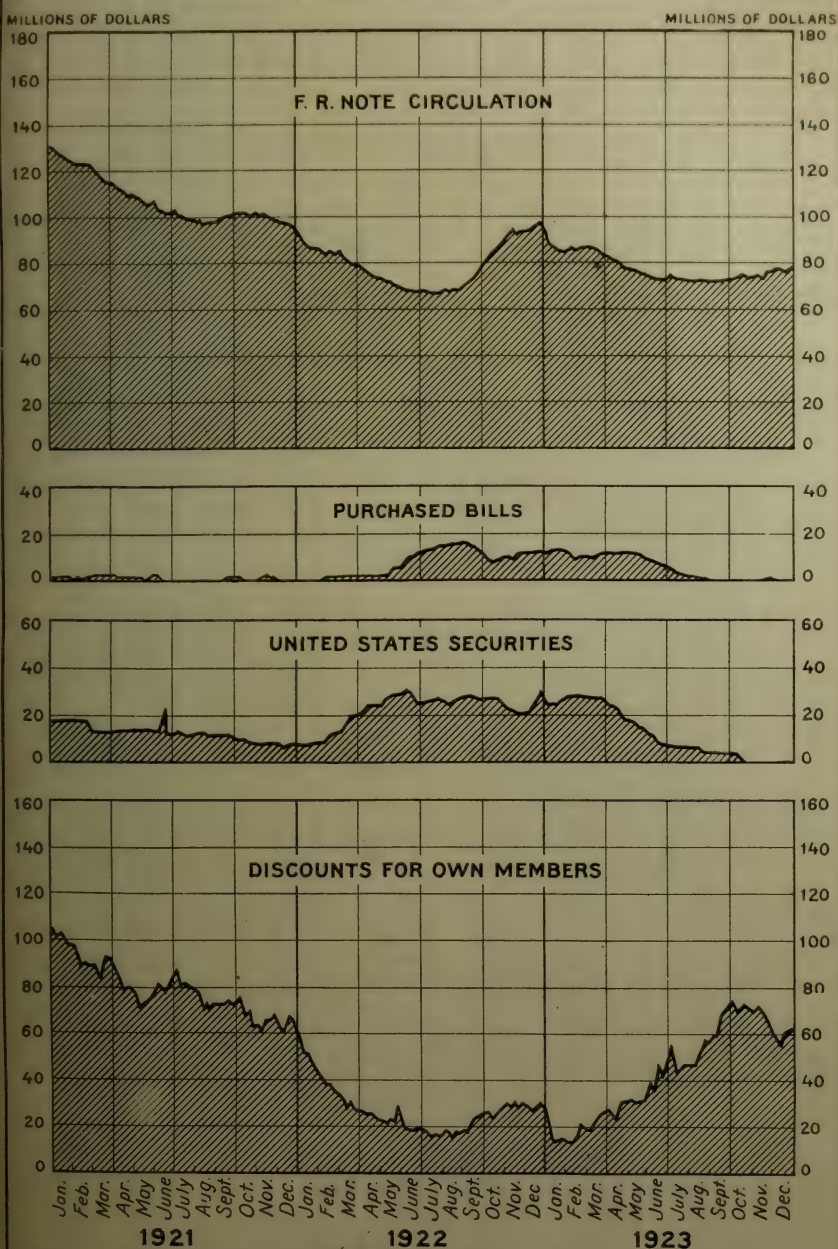
As fiscal agent for the War Finance Corporation, this bank made advances during 1923 for account of the corporation aggregating \$5,872,826, of which amount \$3,922,217 were advanced to cooperative marketing associations, and \$1,950,609 to nonmember and member banks.

The amounts advanced by the parent bank and each branch were as follows: The head office advanced \$1,776,639 to banks; the Louisville Branch \$3,041,600 to cooperative marketing associations and \$20,000 to banks; the Memphis Branch made no advances during the year, and the Little Rock Branch made advances aggregating \$880,617 to cooperative marketing associations and \$153,970 to banks.

During the year, the War Finance Corporation made advances to 107 banks in the Eighth District, only 3 of which were members of the Federal Reserve System.

# APPENDIX

## FEDERAL RESERVE BANK OF ST. LOUIS





**SCHEDULE 1.—Movement of Principal Asset and Liability Items of Federal Reserve Bank of St. Louis during 1923. (In thousands—000 omitted.)**

Date	Total earning assets (2+5+6)	Bills discounted for member banks			Bills bought in open market	United States securities	Total cash reserves	Member banks' reserve deposits	Total deposits	Federal reserve notes in circula- tion	Reserve percent- ages
		Total	Bills secured by U. S. Government obligations	Other bills dis- counted							
	1	2	3	4	5	6	7	8	9	10	11
Jan. 3.....	\$63,993	\$26,669	\$13,182	\$13,487	\$12,778	\$24,546	\$118,586	\$78,171	\$80,759	\$93,918	67.9
10.....	54,650	15,119	7,282	7,837	13,820	25,711	120,420	73,758	75,837	89,533	72.8
17.....	52,750	13,374	7,372	6,002	14,926	24,450	122,485	76,349	78,039	88,145	73.7
24.....	54,266	14,795	8,820	5,975	15,228	24,243	117,553	70,739	74,620	86,419	73.0
31.....	57,109	15,804	9,893	5,911	14,549	26,756	118,309	74,002	79,316	85,996	71.6
Feb. 7.....	55,497	12,962	7,638	5,324	13,657	28,878	115,223	72,742	75,958	85,909	71.2
14.....	53,000	12,725	6,897	5,828	11,495	28,780	118,511	72,254	74,864	87,500	73.0
21.....	54,390	16,196	8,431	7,765	9,202	28,992	117,738	72,681	76,970	86,594	72.0
28.....	60,128	21,199	13,057	8,142	10,039	28,890	117,014	69,993	74,876	87,606	72.0
Mar. 7.....	57,872	18,857	7,765	11,092	10,162	28,853	114,232	73,972	77,710	87,035	69.3
14.....	57,984	19,225	8,524	10,701	9,923	28,836	117,564	74,054	78,287	86,936	71.2
21.....	65,900	25,479	10,594	14,885	11,997	28,424	102,306	70,546	73,731	85,916	64.1
28.....	65,906	26,431	11,786	14,645	12,448	27,027	102,817	72,450	75,192	83,690	64.7
Apr. 4.....	64,353	28,028	10,676	17,352	12,455	23,870	107,105	75,426	79,253	82,465	66.2
11.....	59,240	23,344	10,045	13,299	12,057	23,839	106,626	71,539	74,505	80,994	68.6
18.....	63,990	29,844	14,550	15,294	11,966	22,180	99,656	70,643	74,020	80,512	64.5
25.....	63,159	31,592	15,757	15,835	12,909	18,658	100,525	70,508	73,491	78,241	66.3
May 2.....	63,295	32,465	14,783	17,682	12,686	18,144	98,650	71,518	74,346	78,578	64.5
9.....	60,510	30,581	13,664	16,917	11,796	18,133	98,597	70,962	73,292	77,206	65.5
16.....	61,114	32,523	15,026	17,497	11,158	17,433	99,676	67,145	71,873	76,962	67.0
23.....	58,843	31,341	14,224	17,117	10,569	14,933	106,612	75,377	78,325	75,376	69.4
29.....	58,633	33,980	17,054	16,926	9,719	14,934	103,745	68,955	74,102	75,455	69.4
June 6.....	60,922	39,549	16,025	23,524	9,821	11,552	95,688	70,029	73,538	74,000	64.5
13.....	56,700	36,111	15,265	20,846	9,077	11,512	97,895	70,337	72,260	73,911	67.0
20.....	63,337	47,569	17,651	29,918	7,359	8,409	88,092	69,403	70,527	73,702	61.1
27.....	56,151	40,687	17,674	23,013	7,061	8,403	94,826	66,372	69,103	73,214	66.6
July 3.....	69,009	55,779	21,573	34,206	5,979	7,251	91,640	74,714	76,522	75,073	60.5
11.....	55,077	43,380	18,498	24,882	4,446	7,251	95,986	69,140	70,794	73,827	66.4
18.....	56,934	46,237	17,910	28,327	3,446	7,251	93,222	66,648	70,687	73,244	64.3
25.....	56,435	46,073	16,390	29,683	3,111	7,251	96,020	69,748	73,910	72,108	65.8
Aug. 1.....	55,748	46,270	15,788	30,482	2,227	7,251	97,209	68,837	72,339	72,235	67.2
8.....	55,093	46,315	15,798	30,517	1,527	7,251	98,968	70,706	73,574	71,656	68.1
15.....	59,729	51,367	18,912	32,455	1,111	7,251	92,529	68,981	71,485	72,521	64.2
22.....	62,394	57,844	20,985	36,859	882	3,668	88,254	68,234	70,897	71,757	61.9
29.....	60,976	56,918	21,829	35,089	390	3,668	91,127	68,302	72,249	71,585	63.4
Sept. 5.....	63,632	59,575	22,195	37,380	389	3,668	87,805	67,877	72,256	71,527	61.1
12.....	63,349	59,292	20,655	38,637	389	3,668	87,046	68,764	72,020	72,297	60.3
19.....	72,739	69,027	21,108	47,919	40	3,672	72,618	65,698	67,572	72,510	51.9
26.....	75,411	71,704	24,097	47,607	39	3,668	71,510	64,399	67,320	73,038	50.9
Oct. 3.....	79,432	75,757	23,250	52,507	7	3,668	71,430	65,957	68,388	74,717	49.9
10.....	74,107	70,432	22,174	48,258	7	3,668	75,928	66,544	68,518	75,074	52.9
17.....	71,951	71,944	22,684	49,260	7	.....	80,724	67,508	70,336	76,004	55.2
24.....	74,585	74,578	24,740	49,838	7	.....	77,556	67,128	69,464	75,310	53.6
31.....	72,530	72,501	23,075	49,426	29	.....	83,459	64,100	69,122	73,671	58.4
Nov. 7.....	70,521	70,348	21,579	48,769	173	.....	81,343	66,814	68,637	75,528	56.4
14.....	73,773	73,744	20,934	52,810	29	.....	84,771	68,338	70,655	76,844	57.5
21.....	70,046	70,024	20,978	49,046	22	.....	83,691	65,280	68,168	74,808	58.5
28.....	66,946	66,424	20,885	45,539	522	.....	92,910	68,076	70,748	77,140	62.8
Dec. 5.....	59,418	59,296	18,003	41,293	122	.....	97,851	67,136	70,437	77,695	66.2
12.....	54,676	54,604	16,928	37,676	72	.....	102,006	70,276	72,981	77,676	67.7
19.....	61,459	61,430	21,129	40,301	29	.....	90,341	65,920	67,300	77,478	62.4
26.....	62,252	62,209	19,785	42,424	43	.....	96,853	68,027	70,678	78,896	64.8
Daily Average	62,368	43,754	.....	.....	6,239	12,375	98,049	69,975	73,201	78,508	64.6

SCHEDULE 2. *Comparative Statement of Condition of Federal Reserve Bank of St. Louis. (In thousands—000 omitted.)*

RESOURCES	Dec. 31, 1923	Dec. 31, 1922
Gold with Federal Reserve Agent.....	\$ 49,424	\$ 70,573
Gold redemption fund with U. S. Treasury.....	2,773	2,960
Gold held exclusively against Federal Reserve notes.....	\$ 52,197	\$ 73,533
Gold settlement fund with Federal Reserve Board.....	35,272	31,207
Gold and gold certificates held.....	5,060	2,852
Total gold reserves.....	\$ 92,529	\$107,592
Reserves other than gold.....	9,802	10,295
Total reserves.....	\$102,331	\$117,887
Non-reserve cash.....	3,321	*
Bills discounted:		
Secured by U. S. Government obligations.....	\$ 17,292	\$ 14,549
Other bills discounted.....	39,990	15,533
Total bills discounted.....	\$ 57,282	\$ 30,082
Bills bought in open market.....	43	13,028
U. S. Government securities:		
Bonds.....		7,307
Treasury notes.....		9,464
Certificates of indebtedness.....		2,780
Total U. S. Government securities.....		\$ 19,551
Total earning assets.....	\$ 57,325	62,661
Uncollected items.....	30,139	42,862
Bank premises.....	1,346	912
All other resources.....	108	354
Total resources.....	\$194,570	\$224,676
LIABILITIES		
Federal Reserve notes in actual circulation.....	\$ 75,872	\$ 93,659
Deposits:		
Member banks—reserve account.....	70,100	73,798
Government.....	3,042	1,211
Other deposits.....	466	1,927
Total deposits.....	\$73,608	\$ 76,936
Deferred availability items.....	29,490	38,993
Capital paid in.....	5,009	4,827
Surplus.....	10,072	9,665
All other liabilities.....	519	596
Total liabilities.....	\$194,570	\$224,676
Contingent liability on bills purchased for foreign correspondents.....	\$836	\$1,618
Ratio of total reserves to deposit and Federal Reserve note liabilities combined.....	68.5%	69.1%

\*Not shown separately prior to 1923.

SCHEDULE 3.—*Comparative Statement of Earnings and Expenses of Federal Reserve Bank of St. Louis.*

EARNINGS	1923	1922
Discounted bills.....	\$1,968,788	\$1,303,808
Purchased bills.....	253,773	255,750
United States securities.....	520,780	832,169
Deficient reserve penalties.....	38,857	45,915
Miscellaneous.....	(a) 28,763	18,805
Total earnings.....	\$2,753,435	\$2,456,447
CURRENT EXPENSES		
Salaries:		
Bank officers.....	\$160,116	\$155,877
Clerical staff.....	749,767	829,072
Special officers and watchmen.....	32,969	28,418
All other.....	43,970	40,750
Governors' conferences.....	523	456
Federal Reserve Agents' conferences.....	443	228
Federal Advisory Council.....	1,266	1,250
Directors' meetings.....	11,333	10,675
Traveling expenses†.....	29,183	24,498
Assessments for Federal Reserve Board expenses.....	31,300	31,820
Legal fees.....	185	2,919
Insurance (other than on currency and security shipments).....	20,323	41,785
Insurance on currency and security shipments.....	17,630	13,235
Taxes on banking house.....	7,397	3,076
Light, heat and power.....	3,097	3,014
Repairs and alterations, banking house.....	360	382
Rent.....	70,389	73,627
Office and other supplies.....	22,135	19,244
Printing and stationery.....	37,157	37,977
Telephone.....	6,970	7,448
Telegraph.....	44,223	42,841
Postage.....	123,986	132,763
Expressage.....	13,017	.....
Federal reserve currency:		
Original cost including shipping charges.....	7,287	52,719
Cost of redemption, including shipping charges.....	7,835	11,586
Taxes on Federal reserve bank-note circulation.....	.....	16,377
All other expenses.....	29,814	41,185
Total current expenses.....	\$1,472,675	\$1,623,222
PROFIT AND LOSS ACCOUNT		
Earnings.....	\$2,753,435	\$2,456,447
Current expenses.....	1,472,675	1,623,222
Current net earnings.....	\$1,280,760	\$ 833,225
Additions to current net earnings:		
Amounts deducted from reserve for depreciation on United States bonds.....	\$80,294	\$3,883
All other.....	564	2,257
Total additions.....	\$80,858	\$6,140
Deductions from current net earnings:		
Depreciation allowances on bank premises.....	\$ 2,200	\$ 2,000
Reserve for probable losses.....	123,687	125,000
Furniture and equipment.....	29,971	44,755
All other.....	23,597	20,038
Total deductions.....	\$179,455	\$191,793
Net deductions from current net earnings.....	\$98,597	\$185,653
Net earnings available for dividends, surplus and franchise tax.....	\$1,182,163	\$647,572
Dividends paid.....	\$296,810	\$283,166
Transferred to surplus account.....	407,070	276,450
Franchise tax paid United States Government.....	478,283	87,956

(a) Debit.

†Other than those connected with governors' and agents' conferences and meetings of directors and advisory council.



SCHEDULE 4.—*Paper Discounted for Member Banks by Federal Reserve Bank of St. Louis.*

Classes of Paper Discounted		St. Louis Parent Bank	Louisville Branch	Memphis Branch	Little Rock Branch	Totals for 1923	Totals for 1922		
Member banks' 15-day notes secured by U. S. obligations.....		\$459,728,650	\$664,170,150	\$36,997,600	\$34,683,550	\$1,195,579,950	\$654,924,064		
Member banks' 15-day notes otherwise secured.....		128,400	650,000	1,570,000	200,000	2,548,400	372,500		
Customers' paper secured by U. S. obligations.....		1,147,816	909,004	451,798	220,134	2,728,752	4,662,953		
Agricultural and live stock paper.....		7,888,895	347,751	12,327,306	5,577,387	26,141,339	32,803,080		
Sight and demand drafts.....		93,109		27,053,473	4,456,879	31,603,461			
Trade acceptances.....		2,640,269	869,031	1,890,098	379,867	5,779,265	4,181,522		
Bankers' acceptances.....				44,319	610,935	655,254	1,458,842		
Other discounts.....		279,963,419	43,317,015	67,312,036	24,042,283	414,634,753	167,453,507		
Totals for 1923.....		\$751,590,558	\$710,262,951	\$147,646,630	\$70,171,035	\$1,679,671,174			
Totals for 1922.....		298,584,200	409,271,130	102,162,385	55,838,706		\$865,856,421		
Total Paper Discounted by Months and States		Arkansas	Illinois	Indiana	Kentucky	Mississippi	Missouri	Tennessee	Totals
January.....	\$ 3,358,515	\$ 5,476,375	\$ 854,772	\$ 42,673,323	\$ 295,974	\$ 19,014,739	\$ 578,050	\$ 72,251,748	
February.....	4,047,233	6,927,316	328,800	19,859,548	332,301	32,451,864	435,119	64,382,181	
March.....	3,023,645	9,375,988	2,528,140	15,054,972	505,668	45,094,006	7,438,959	83,021,378	
April.....	3,709,732	9,789,287	2,360,996	44,329,914	797,713	41,094,479	5,362,257	107,644,378	
May.....	4,256,702	9,594,224	2,661,464	77,256,880	959,592	58,573,965	8,305,781	161,808,308	
June.....	5,674,415	7,663,738	2,644,559	127,301,615	1,305,979	57,685,012	4,413,127	206,688,445	
July.....	5,727,127	7,822,702	2,931,936	84,659,023	1,274,561	65,886,114	4,868,704	173,190,167	
August.....	5,890,647	5,911,791	2,043,878	100,185,178	1,294,057	76,907,207	9,663,687	201,896,445	
September.....	10,449,931	7,045,208	2,280,126	86,468,099	1,674,188	67,587,561	13,653,582	189,158,695	
October.....	16,394,403	9,857,168	3,615,058	44,624,706	2,751,731	52,422,263	25,088,920	154,754,249	
November.....	12,410,939	8,106,789	3,335,444	30,892,739	3,114,227	50,048,654	25,511,937	133,420,729	
December.....	12,626,809	8,533,824	3,913,481	31,869,048	2,946,775	54,352,611	17,211,903	131,454,451	
Totals for 1923.....	\$87,570,098	\$96,104,410	\$29,498,654	\$705,174,745	\$17,252,766	\$621,118,475	\$122,932,026	\$1,679,671,174	
Totals for 1922.....	74,450,670	65,791,458	19,203,163	405,027,127	14,724,807	211,479,768	75,179,428	865,856,421	
Number member banks on 12-31-23.....		126	187	62	68	19	141	27	630
Different banks discounting during 1923.....		81	91	29	38	16	86	21	362
Different banks discounting during 1922.....		95	108	30	41	18	88	20	400
*Number of notes discounted during 1923 was 57,036, as compared with 43,624 in 1922. Number of applications during 1923 was 10,618, as compared with 9,802 in 1922.									

\*Number of notes discounted during 1923 was 57,036, as compared with 43,624 in 1922. Number of applications during 1923 was 10,618, as compared with 9,802 in 1922.

SCHEDULE 5.—*Investment Operations of Federal Reserve Bank of St. Louis.*

BANKERS' ACCEPTANCES PURCHASED FOR OWN ACCOUNT				U. S. SECURITIES PURCHASED FOR OWN ACCOUNT			
Month	From Member Banks, Dealers and Through Other Reserve Banks	From Portfolios of Other Reserve Banks	Total Bills Purchased	Bonds and Notes	Special Certificates of Indebtedness	Other Certificates of Indebtedness	Total U. S. Securities Purchased
January.....	\$4,706,203	\$1,499,591	\$6,205,794	\$2,508,500	\$65,000,000	\$6,299,000	\$73,807,500
February.....	5,520,748		5,520,748	628,100		2,662,000	3,290,100
March.....	9,755,917		9,755,917	20,700		100,000	120,700
April.....	5,486,271		5,486,271	275,000		15,000	290,000
May.....	1,829,712		1,829,712	1,100			1,100
June.....	3,504,246	932,309	4,436,555	1,800	3,000,000	1,651,500	4,653,300
July.....							
August.....	39,405		39,405				
September.....	22,000		22,000		2,500,000	572,500	3,072,500
October.....	743,800		743,800			22,000	22,000
November.....	971,247		971,247				
December.....							
Totals for 1923.....	*\$32,579,549	†\$ 2,431,900	\$35,011,449	\$ 3,435,200	\$70,500,000	\$11,322,000	\$ 85,257,200
Totals for 1922.....	33,736,031	13,104,651	46,840,682	22,911,550	98,000,000	24,328,000	146,239,550

\*Number of bills purchased from member banks, dealers, and through other reserve banks during 1923 was 1,934, as compared with 2,423 in 1922.

†Number of bills purchased from portfolios of other reserve banks in 1923 was 140, as compared with 1,019 during previous year.

SCHEDULE 6.—*Discount Rates of Federal Reserve Bank of St. Louis during 1923.*

	In effect: January 1 to December 31, 1923, inclusive.		
	15 Days and Less	16 to 90 Days	91 Days to 9 Months
	4½%		
Member banks' 15-day collateral notes:			
Secured by bills receivable or United States bonds or notes.....	4½%		
Rediscounts:			
Secured by United States bonds or notes.....	4½%	4½%	4½%
Commercial paper.....	4½%	4½%	4½%
Agricultural or live stock paper.....	4½%	4½%	4½%
Trade acceptances.....	4½%	4½%	4½%
Bankers' acceptances.....	4½%	4½%	4½%

Bankers' acceptances, purchased in the market, subject to agreement.

**SCHEDULE 7.—Currency (Paper and Coin), Received and Counted by Federal Reserve Bank of St. Louis.**

	Paper Currency		Coin		Total Money Received and Counted	
	Pieces	Amount	Pieces	Amount	Pieces	Amount
St. Louis Parent Bank.....	60,657,416	\$319,870.578	97,736,575	\$10,738.076	158,393,991	\$330,608.654
Louisville Branch.....	20,771,707	111,412.876	9,229,054	1,368.189	30,000,761	112,781.065
Memphis Branch.....	16,395,325	61,193.200	7,875,229	1,500.699	24,270,554	62,693.899
Little Rock Branch.....	7,453,350	28,404.133	6,286,662	1,098.098	13,740,012	29,502.231
Totals for 1923.....	105,277,798	\$520,880.787	121,127,520	\$14,705.062	226,405,318	\$535,585.849
Totals for 1922.....	94,930,894	473,064.814	126,428,142	13,631.282	221,360,036	486,696.095

**SCHEDULE 8.—Federal Reserve Notes Issued, Returned and Redeemed during 1923, and Outstanding December 31, 1923.**

	Outstanding December 31, 1922	Issued or Reissued by F. R. Agent to F. R. Bank	Fit Notes Returned by Bank to Agent	Unfit Notes Redeemed in Washington	Outstanding December 31, 1923
Fives.....	\$ 24,858,685	\$ 8,050,000	\$1,150,000	\$ 15,041,500	\$ 16,717,185
Tens.....	30,560,650	6,890,000	3,050,000	12,645,230	21,755,420
Twenties.....	42,048,060	11,880,000	2,700,000	14,124,500	37,103,560
Fifties.....	6,975,250	2,700,000	300,000	2,472,850	6,902,400
Hundreds.....	5,270,500	2,900,000	700,000	1,902,000	6,168,500
Five Hundreds.....	1,116,500	150,000	100,000	151,000	1,115,500
One Thousands.....	1,863,000	450,000	.....	257,000	1,956,000
Five Thousands.....	165,000	50,000	.....	5,000	210,000
Ten Thousands.....	180,000	150,000	.....	.....	330,000
Totals for 1923.....	\$113,037,745	\$ 33,220,000	\$8,000,000	\$ 45,999,080	*\$ 92,258,665
Totals for 1922.....	.....	63,430,000	6,690,000	57,805,200	.....

\*\$15,967,170 of Federal Reserve Notes were held by the Federal Reserve Bank of St. Louis and its branches and \$419,000 were in transit to Washington for redemption, leaving \$75,872,495 in actual circulation at close of the year.



SCHEDULE 9.—*Clearing Items Handled by Federal Reserve Bank of St. Louis.*

Classes of Items Handled	St. Louis Parent Bank		Louisville Branch		Memphis Branch		Little Rock Branch		Totals	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Checks on local banks.....	5,034,670	\$4,363,220,546	1,458,862	\$1,835,586,769	1,025,071	\$	760,445	\$	8,279,048	\$7,242,990,054
Checks on other banks on this district.....	19,012,813	1,161,953,854	5,959,637	341,487,021	2,694,848	182,205,205	4,341,062	288,578,870	32,008,360	1,974,224,950
Checks and warrants on U. S. Treas.....	1,603,555	121,795,300	477,902	58,858,565	158,728	23,317,534	122,510	16,804,657	2,362,695	220,776,056
Checks on banks in other districts.....	611,809	57,611,115	159,608	14,425,833	25,645	6,105,924	13,640	4,002,191	810,702	82,145,063
Totals for 1923, excl. duplications.....	26,262,847	\$5,704,580,815	8,056,009	\$2,250,358,188	3,904,292	\$699,474,056	5,237,657	\$865,723,064	43,460,805	\$9,520,136,123
Checks handled by both parent bank and branches.....	130,080	\$	22,470	\$	29,811	\$	93,558	\$	275,913	\$
Totals for 1923, incl. duplications.....	26,392,927	\$5,718,593,895	8,078,479	\$2,252,261,656	3,934,103	\$	5,331,215	\$	43,736,724	\$9,547,432,042
Totals for 1922, incl. duplications.....	26,897,673	3,925,524,879	7,108,122	1,067,779,738	3,390,086	571,204,221	4,980,223	549,934,831	38,476,104	6,114,443,669

SCHEDULE 10.—*Collection Items Handled by Federal Reserve Bank of St. Louis.*

	U. S. Government Coupons Paid		Other Coupons and Bonds Received		Notes, Drafts, Bills, etc., Received	
	Number	Amount	Number	Amount	Number	Amount
St. Louis Parent Bank.....	2,524,468	\$20,840,325	21,706	\$20,182,351	124,874	\$219,568,155
Louisville Branch.....	641,963	5,729,152	6,260	5,532,599	29,581	35,571,649
Memphis Branch.....	197,839	1,336,569	1,214	400,479	36,167	85,806,483
Little Rock Branch.....	105,557	510,116	620	1,202,238	23,867	27,162,462
Totals for 1923.....	3,469,827	\$28,416,162	29,800	\$27,317,667	214,489	\$368,108,754
Totals for 1922.....	4,221,746	27,805,973	Number.....	197,169	Amount.....	\$267,681,432

**SCHEDULE 11.—Receipts and Payments by Federal Reserve Bank of St. Louis through Gold Settlement Fund in Washington.**

From or To	Received	Paid	Net Gain	Net Loss	Balance to Credit this Bank at End Year
Other Federal Reserve Banks (Clearings and Transfers).....	\$6,026,100,000	\$6,051,196,000		\$25,096,000	
Federal Reserve Agent (Collateral to Federal Reserve Notes).....	76,000,000	86,500,000		10,500,000	
All Other.....	39,800,000	139,000	39,661,000		
Totals for 1923.....	\$6,141,900,000	\$6,137,835,000	\$ 4,065,000		\$35,272,000
Totals for 1922.....	5,484,686,000	5,476,442,000	8,244,000		31,207,000

**SCHEDULE 12.—Transfers of Funds through Federal Reserve Bank of St. Louis.**

	Outgoing Wire Transfers		Incoming Wire Transfers		Outgoing and Incoming Mail Transfers		Deposits to 5% Redemption Fund in Washington for National Banks		Total Transfers	
	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount
St. Louis Parent Bank.....	23,364	\$1,218,556,111	16,938	\$875,544,827	17,552	\$431,404,927	11,739	\$21,419,452	69,593	\$2,546,996,317
Louisville Branch.....	3,961	241,157,269	2,312	143,888,009	106	6,354,556	3,761	5,840,833	12,140	397,240,377
Memphis Branch.....	6,186	159,903,686	4,700	218,487,863	657	9,307,113	845	1,753,120	12,388	369,451,752
Little Rock Branch.....	3,702	88,330,130	4,734	158,629,047	35	657,150	999	1,089,515	9,470	248,705,342
Totals for 1923.....	39,213	\$1,707,947,166	28,684	\$1,396,549,746	18,350	\$447,723,756	17,344	\$30,102,620	103,591	\$3,582,323,283
Totals for 1922.....	30,829	1,683,136,842	23,955	1,353,424,604	12,072	711,789,072	16,273	31,110,879	83,129	3,779,461,397

**SCHEDULE 13.—National Banks in District No. 8, Granted Fiduciary Powers during 1923, under Section 11 (k) of the Federal Reserve Act.**

First National Bank.....	Paragould, Ark.
First National Bank.....	Highland, Ill.
First National Bank.....	Lawrenceville, Ill.
First National Bank.....	Lebanon, Ill.
First National Bank.....	Bicknell, Ind.
Old National Bank.....	Evansville, Ind.
Old First National Bank.....	Mt. Vernon, Ind.
First National Bank.....	Vevay, Ind.
Farmers National Bank.....	Wadesville, Ind.
Citizens Union National Bank.....	Louisville, Ky.
First National Bank.....	Owensboro, Ky.
Farmers National Bank.....	Princeton, Ky.
Boonville National Bank.....	Boonville, Mo.
First National Bank.....	Peirce City, Mo.
Marshall National Bank.....	Unionville, Mo.
Southern National Bank.....	Memphis, Tenn.

**SCHEDULE 14.—Banks Admitted to Membership in Federal Reserve Bank of St. Louis, Memberships Terminated, etc., during 1923.**

**NEW NATIONAL BANK MEMBERS'**

Name	Location	Capital and Surplus when admitted
National Bank of Commerce.....	El Dorado, Ark.	\$120,000
First National Bank.....	Gentry, Ark.	26,500
Citizens National Bank.....	Harrison, Ark.	60,000
First National Bank.....	Holly Grove, Ark.	30,000
First National Bank.....	North Little Rock, Ark.	110,000
American National Bank.....	Gillespie, Ill.	65,000
First National Bank.....	Jonesboro, Ill.	60,000
First National Bank.....	Lebanon, Ill.	65,000
First National Bank.....	Valier, Ill.	27,500
Old National Bank.....	Evansville, Ind.	600,000
Old First National Bank.....	Mt. Vernon, Ind.	125,000
Farmers National Bank.....	Scottsville, Ky.	50,000
Clayton National Bank.....	Clayton, Mo.	45,000
First National Bank.....	Clayton, Mo.	120,000
Telegraphers National Bank.....	St. Louis, Mo.	600,000
First National Bank.....	Steele, Mo.	27,500
First National Bank.....	Lexington, Tenn.	27,500
Southern National Bank.....	Memphis, Tenn.	330,000
Citizens National Bank.....	Trenton, Tenn.	75,000

**STATE BANKS AND TRUST COMPANIES ADMITTED TO MEMBERSHIP**

Name	Location	Capital and Surplus when admitted
Citizens Bank.....	Gillett, Ark.	\$ 27,500
Peoples Exchange Bank.....	Russellville, Ark.	150,000
First State Bank.....	Palmyra, Ill.	50,000
Citizens Savings Bank.....	Cabool, Mo.	30,000
Citizens Bank.....	Maplewood, Mo.	112,500
Park Savings Trust Co.....	Richmond Heights, Mo.	60,000
Bremen Bank.....	St. Louis, Mo.	700,000
Grant State Bank.....	St. Louis, Mo.	250,000
Lindell Trust Co.....	St. Louis, Mo.	220,000
Lowell Bank.....	St. Louis, Mo.	250,000
Natural Bridge Bank.....	St. Louis, Mo.	240,000
North St. Louis Trust Co.....	St. Louis, Mo.	240,000
Shaw State Bank.....	St. Louis, Mo.	132,000
Southwest Bank.....	St. Louis, Mo.	142,000
Water Tower Bank.....	St. Louis, Mo.	250,000
Franklin County Bank.....	Washington, Mo.	70,000
Webster Groves Trust Co.....	Webster Groves, Mo.	125,000

**MEMBERSHIPS TERMINATED**

Name	Location	Disposition
Bank of Commerce.....	El Dorado, Ark.	Converted into National Bank of Commerce.
First National Bank.....	Marshall, Ark.	Voluntary liquidation—succeeded by a State Bank.
First State Bank.....	Prescott, Ark.	Surrendered membership.
Gillespie Trust & Savings Bank.....	Gillespie, Ill.	Converted into American Natl. Bank.
State Bank of Lebanon.....	Lebanon, Ill.	Converted into First National Bank.
Rieker National Bank.....	Quincy, Ill.	Voluntary liquidation—absorbed by Quincy National Bank.
Old State National Bank.....	Evansville, Ind.	Voluntary liquidation—succeeded by Old National Bank.
First National Bank.....	Mt. Vernon, Ind.	Voluntary liquidation—succeeded by Old First National Bank.
State Bank and Trust Co.....	Harrodsburg, Ky.	Surrendered membership.
Citizens National Bank.....	Corinth, Miss.	Voluntary liquidation—absorbed by First National Bank.
Citizens Bank.....	Cabool, Mo.	Succeeded by Citizens Savings Bank.
Farmers and Commercial Bank.....	Clayton, Mo.	Converted into Clayton National Bank.
First National Bank.....	Marshfield, Mo.	Voluntary liquidation—absorbed by Farmers Exchange Bank.
Citizens Bank.....	Dyersburg, Tenn.	Surrendered membership.
Commercial Trust & Savings Bank.....	Memphis, Tenn.	Consolidated with Bank of Commerce & Trust Co.
National City Bank.....	Memphis, Tenn.	Voluntary liquidation—absorbed by Guaranty Bank & Trust Co.



Description	Date of Issue	Maturity	Rate	Subscriptions	Allotments	Pieces Delivered	Amounts Delivered
Treasury Notes.....	January 15, 1923.	December 15, 1927.....	4½ %	\$ 21,845,500	\$ 17,893,100	13,093	\$ 17,893,100
Treasury Certificates.....	March 15, 1923.....	September 15, 1923.....	4½ %	16,502,500	4,049,000	1,498	4,049,000
Treasury Certificates.....	March 15, 1923.....	March 15, 1924.....	4½ %	21,296,500	14,999,500	7,629	14,999,500
Treasury Notes.....	May 15, 1923.....	March 15, 1927.....	4½ %	58,857,100	40,115,300	37,998	40,115,300
Treasury Certificates.....	June 15, 1923.....	December 15, 1923.....	4 %	7,329,500	5,699,500	2,230	5,699,500
Treasury Certificates.....	September 15, 1923.....	March 15, 1924.....	4½ %	15,557,500	9,399,500	2,581	9,399,500
Treasury Certificates.....	December 15, 1923.....	June 16, 1924.....	4 %	7,816,500	3,622,000	1,449	3,622,000
Treasury Certificates.....	December 15, 1923.....	December 15, 1924.....	4½ %	14,032,000	9,669,500	2,560	9,669,500
Deliveries of securities allotted in 1922.						15,244	21,434,500
Totals for 1923.....				\$163,237,100	\$105,447,400	84,282	\$126,901,900

	St. Louis Parent Bank		Louisville Branch		Memphis Branch		Little Rock Branch		Totals for 1923	
	Pieces	Amount	Pieces	Amount	Pieces	Amount	Pieces	Amount	Pieces	Amount
Treasury Certificates:										
Cash redemptions.....	8,075	\$22,456,500								
Applied on subscriptions to other issues.....	1,770	7,477,000	1,381	\$2,936,000	168	\$406,000	141	\$420,500	9,765	\$26,219,000
Treasury Notes:										
Purchased for Treasury Dept.....	1,993	8,006,400							1,993	8,006,400
Victory Notes:										
3¾ % due June 15, 1922.....	13	6,050	6	3,300	2	200			21	9,350
4¾ % due May 20, 1923.....	192,213	46,633,217	21,782	4,245,500	8,886	2,267,440	5,282	804,743	228,163	\$ 33,950,900
Liberty Bonds:										
Purchased for Treasury Dept.....	351	3,500,000							351	3,500,000
Totals for 1923.....	204,415	\$88,079,167	23,169	\$7,184,800	9,056	\$2,673,640	5,423	\$1,225,243	242,063	\$99,182,850

\*Of this amount, \$40,400 were redeemed in cash, the remainder, \$13,550,900, being applied on subscriptions to other issues.

**SCHEDULE 17.—Exchange and Conversion of United States Government Securities (other than Treasury Savings Securities) by Federal Reserve Bank of St. Louis.**

	Received		Delivered	
	Pieces	Amount	Pieces	Amount
Denominational exchanges.....	68,293	\$22,480,250	22,279	\$22,480,250
Securities received and handled as denominational exchanges—delivery made by other Federal Reserve Banks on our authorization.....	9,318	35,258,900		
Conversions.....	1,857	315,250	1,996	328,050
Temporary bonds exchanged for permanent bonds.....	13,779	1,138,800	11,821	1,138,800
Coupon bonds exchanged for registered bonds.....	42,234	16,358,700	24,063	17,658,350
Registered bonds exchanged for coupon bonds.....	14,316	4,657,800	14,653	5,245,500
Registered bonds exchanged for registered bonds.....	8,930	3,246,850	7,324	3,568,750
Totals for 1923.....	158,727	\$83,456,550	82,136	\$50,419,700

**SCHEDULE 18.—Sale and Redemption of United States Treasury Savings Securities through Federal Reserve Bank of St. Louis.**

	Sold and Delivered		Redeemed	
	Pieces	Amount	Pieces	Amount
St. Louis Parent Bank.....	13,512	\$2,870,550	5,900,796	\$28,653,937
Louisville Branch.....	719	109,175	2,028,639	9,803,831
Memphis Branch.....	178	59,125	411,780	2,058,900
Little Rock Branch.....	1,092	188,175	803,699	3,699,342
Totals for 1923.....	15,501	\$3,227,025	*9,144,914	*\$44,216,010

\*War Savings Stamps, Series of 1918, matured January 1, 1923.

Last Report Date In	Loans and Discounts (Including Rediscunts with F. R. Bank)		Investments		Net Demand Deposits		Time Deposits		Accommodation at Federal Reserve Bank	
	U. S. Securities		All Other							
	1923	1922	1923	1922	1923	1922	1923	1922	1923	1922
January.....	\$450,275	\$434,036	\$ 81,042	\$ 35,927	\$ 91,535	\$ 69,029	\$378,922	\$309,318	\$182,383	\$155,196
February.....	456,848	436,854	77,806	40,055	91,674	69,685	376,217	320,376	184,211	157,781
March.....	457,190	423,146	79,743	40,608	90,505	70,983	364,106	315,973	183,497	157,883
April.....	456,156	416,762	78,380	42,247	85,705	74,011	368,057	314,652	182,333	160,195
May.....	455,546	414,495	77,259	40,991	89,284	94,205	358,883	313,504	183,678	158,346
June.....	449,386	404,628	82,377	52,633	87,819	80,387	343,099	307,995	182,206	159,965
July.....	455,821	412,721	76,169	51,163	85,899	82,270	342,855	313,315	190,328	163,873
August.....	457,904	407,824	76,133	53,141	85,116	84,359	335,069	319,741	191,179	170,386
September.....	455,910	419,859	72,159	58,729	85,189	84,757	329,493	323,167	188,578	172,033
October.....	471,259	437,700	68,908	71,948	84,757	86,309	328,896	328,872	174,654	47,324
November.....	470,663	443,875	66,958	71,421	87,426	87,419	334,281	337,315	194,522	178,201
December.....	473,216	458,001	71,009	75,914	87,658	88,234	342,263	365,572	189,793	179,379

SCHEDULE 20.—Debits to Individual Accounts, being Total Debits Charged by Banks to Accounts of Individuals, Firms and Corporations other than Banks. (In thousands—000 omitted.)

Month	Evansville, Ind.		Little Rock, Ark.		Louisville, Ky.		Memphis, Tenn.		St. Louis, Mo.		Summary for 5 Centers	
	1923	1922	1923	1922	1923	1922	1923	1922	1923	1922	1923	1922
January.....	\$35,715	\$23,887	\$65,326	\$42,669	\$179,318	\$125,911	\$176,959	\$109,444	\$721,404	\$556,884	\$1,178,722	\$858,795
February.....	33,640	21,271	54,369	38,800	153,307	123,319	134,391	83,856	577,095	472,239	952,802	739,485
March.....	31,003	28,153	62,728	40,690	166,446	123,319	175,837	101,082	676,381	551,507	1,112,395	859,417
April.....	30,599	24,307	59,543	37,479	153,355	129,881	136,946	101,944	659,106	532,988	1,039,539	826,599
May.....	33,968	29,824	60,107	38,865	159,006	147,613	122,192	107,955	701,287	587,089	1,076,560	911,346
June.....	33,282	31,135	49,519	39,941	174,205	143,172	127,928	105,502	719,208	611,137	1,104,132	930,887
July.....	31,916	31,297	49,722	33,866	155,176	134,931	106,390	94,672	636,899	576,618	980,103	871,384
August.....	30,991	26,643	51,562	36,958	143,397	124,800	103,702	89,476	601,236	552,303	930,888	830,180
September.....	29,219	29,651	53,380	52,609	142,304	129,403	115,481	116,048	604,826	580,682	945,180	908,393
October.....	32,398	29,843	76,882	66,117	160,310	143,091	165,494	163,089	749,770	664,297	1,184,854	1,067,437
November.....	31,618	29,062	75,032	61,916	152,224	139,758	180,435	175,884	655,099	582,460	1,094,438	988,780
December.....	32,615	35,128	73,751	65,544	167,244	165,524	190,255	173,180	730,887	706,578	1,194,752	1,145,934
Totals.....	\$386,964	\$341,201	\$731,891	\$555,454	\$1,906,292	\$1,645,388	\$1,736,010	\$1,421,832	\$8,033,198	\$6,974,782	\$12,794,355	\$10,938,657



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PERSONNEL FOR 1925

APR 9 1925

FEDERAL RESERVE BANK OF ST. LOUIS

UNIVERSITY OF ILLINOIS

DIRECTORS

CLASS C

WM. McC. MARTIN, Chairman of Board, St. Louis, Mo.  
JOHN W. BOEHNE, Deputy Chairman, Evansville, Ind.  
C. P. J. MOONEY, Memphis, Tenn.

CLASS A

JOHN G. LONSDALE, St. Louis, Mo.  
JOHN C. MARTIN, Salem, Ill.  
J. C. UTTERBACK, Paducah, Ky.

CLASS B

LE ROY PERCY, Greenville, Miss.  
W. B. PLUNKETT, Little Rock, Ark.  
ROLLA WELLS, St. Louis, Mo.

OFFICERS

WM. McC. MARTIN,  
Chairman of Board and  
Federal Reserve Agent.

C. M. STEWART,  
Asst. Federal Reserve Agent.

E. J. NOVY,  
General Auditor,

H. L. TRAFTON,  
A. E. DEBRECHT,  
E. I. NOWOTNY,  
L. A. MOORE,  
F. P. MAGUIRE,  
Assistant Auditors.

D. C. BIGGS,  
Governor.  
OLIN M. ATTEBERY,  
Deputy Governor.  
J. G. McCONKEY,  
Counsel and Secretary.  
J. W. WHITE,  
Cashier.  
A. H. HALL,  
J. W. RINKLEFF,  
W. H. GLASGOW,  
S. F. GILMORE,  
E. C. ADAMS,  
F. N. HALL,  
Assistant Cashiers.

LOUISVILLE BRANCH

DIRECTORS

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WILLIAM BLACK, Louisville, Ky.  
ATTILLA COX, Louisville, Ky.  
EUGENE E. HOGE, Frankfort, Ky.  
W. P. KINCHELOE, Louisville, Ky.  
MAX B. NAHM, Bowling Green, Ky.  
E. H. WOODS, Lucas, Ky.

OFFICERS

W. P. KINCHELOE,  
Managing Director.  
JOHN T. MOORE,  
Cashier.  
EARL R. MUIR,  
Assistant Cashier.

MEMPHIS BRANCH

DIRECTORS

T. K. RIDDICK, Chairman, Memphis, Tenn.  
E. M. ALLEN, Helena, Ark.  
V. S. FUQUA, Memphis, Tenn.  
JOHN D. McDOWELL, Memphis, Tenn.  
S. E. RAGLAND, Memphis, Tenn.  
R. BRINKLEY SNOWDEN, Memphis, Tenn.  
J. W. VANDEN, Jackson, Tenn.

OFFICERS

V. S. FUQUA,  
Managing Director.  
S. K. BELCHER,  
Cashier.  
C. E. MARTIN,  
Assistant Cashier.

LITTLE ROCK BRANCH

DIRECTORS

MOORHEAD WRIGHT, Chairman, Little Rock, Ark.  
A. F. BAILEY, Little Rock, Ark.  
JOHN M. DAVIS, Little Rock, Ark.  
J. E. ENGLAND, JR., Little Rock, Ark.  
C. S. MCCAIN, Little Rock, Ark.  
HAMP WILLIAMS, Hot Springs, Ark.  
STUART WILSON, Texarkana, Ark.

OFFICERS

A. F. BAILEY,  
Managing Director.  
M. H. LONG,  
Cashier.  
F. A. COE,  
Assistant Cashier.

MEMBER FEDERAL ADVISORY COUNCIL

BRECKINRIDGE JONES, St. Louis, Mo.

## LETTER OF TRANSMITTAL

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FEDERAL RESERVE BANK OF ST. LOUIS

St. Louis, February 6, 1925.

Gentlemen:

I have the honor to transmit herewith the tenth annual report of the Federal Reserve Bank of St. Louis, covering the year ended December 31, 1924.

Respectfully,

WM. McC. MARTIN,  
*Chairman and Federal Reserve Agent.*

FEDERAL RESERVE BOARD,  
Washington, D. C.

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## BUSINESS CONDITIONS

### IN FEDERAL RESERVE DISTRICT No. 8

**Volume of Business.**—The year 1924 opened with a considerable degree of optimism in the business community, and the first months of the year were marked by moderate expansion in both production and distribution of commodities.

In the spring a decline in activities became apparent. This change was due to a number of influences, the principal one being uncertainty relative to the outcome of the year's crops. Apprehensions were aroused among manufacturers and merchants, and the policy of conservative and piecemeal buying became conspicuous. The recession in business activity was accompanied by a downward turn in commodity prices, which had a tendency to emphasize the reluctance of distributors to purchase for future delivery.

Though the immediate reaction of this state of affairs on business was discouraging, the ultimate result was in a manner beneficial. The lack of overbuying of merchandise, coupled with the general practice of economy among ultimate consumers, made for an extremely healthy condition of stocks and conserved buying resources of the public. Another favorable outcome was further notable progress in the direction of stabilizing and balancing of values between the various groups of commodities. In this respect, however, the greatest progress was achieved during the closing months of the year, when there occurred a radical advance in certain of the leading agricultural products of the district. Toward the end of the year considerable improvements had taken place in the demand for goods, production had turned upward and prices were again higher than in the summer months.

The volume of spending during the year, as reflected by the debits to individual accounts by banks in the five largest cities of the district, indicated a slight increase over 1923. However, of the centers mentioned, only Louisville and Little Rock showed increases. The figures for St. Louis, Memphis and Evansville were somewhat smaller than those of the previous year.



**Agriculture.**—Extremely unfavorable weather in the spring seriously hampered agricultural operations in this district. On account of the low temperatures and incessant rains, farmers were unable to get into their fields to plant and cultivate the crops. The excessive precipitation necessitated replanting, which added to the expense of producing the year's crops. In July, however, there came a decided turn for the better in agricultural sections. Favorable weather finally materialized, and farmers and planters took full advantage of this to make up by intensive work the disabilities suffered earlier in the season.

While crop results were spotted and irregular, prices realized for the leading products were relatively high, and served to offset to a large extent deficiencies in output. Yields in numerous instances exceeded expectations. This was true particularly of cotton, corn, rice and tobacco, which are among the principal productions of the territory. The quality of these products, excepting corn, was higher. Among the lesser crops there was considerable irregularity of yield, particularly in fruits. In the northern stretches of the district tree fruits sustained great damage from killing frosts, while in the southern sections these same species fared well and produced heavily. Generally market conditions were favorable, and transportation facilities better than ever before. The close of 1924 found greater prosperity and more hopefulness in the agricultural sections of this district than at any time in more than three years.

**Banking.**—The banking situation in this district during 1924 was characterized by a notable increase in deposits, accompanied by reduced rates on loans to customers and an increase in the amount of loans. Early in June deposits in the banks began to mount perceptibly, as did also loans. However, the demand for credit did not keep pace with the increase in deposits, so that the member banks were able to meet the demand without borrowing heavily. They gradually reduced their obligations to the Federal Reserve Bank.

Changes in the assets and liabilities of the 33 reporting member banks in Evansville, Little Rock, Louisville, Memphis and St. Louis, reflect the general trend. Between the last report dates in December, 1923 and 1924, their net demand deposits increased from \$342,263,000 to \$414,041,000, time deposits increased from \$189,793,000 to \$212,287,000, loans and discounts (gross) increased from \$473,216,000 to \$499,713,000, and investments increased from \$158,667,000 to \$163,729,000. Accommodations of the 33 reporting banks at this institution decreased from \$43,588,000 to \$1,716,000.

## OPERATIONS OF FEDERAL RESERVE BANK OF ST. LOUIS

Including Branches at Little Rock, Louisville and Memphis.

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During the year under review the work performed by the principal departments of the Federal Reserve Bank of St. Louis continued in large volume. However, in comparison with previous years, the amount of paper discounted for member banks showed a considerable decrease.

### FINANCIAL RESULTS OF OPERATION

***Income and Disbursements.***—The reduced demand for accommodations and lower interest and discount rates were reflected in the earnings of this institution. Gross earnings in 1924 aggregated \$1,688,143, as compared with \$2,753,435 during the previous year. Of the gross earnings, \$1,140,622 were derived from paper discounted, \$141,778 from bills purchased, and \$352,652 from United States securities. Current expenses for the year under review were \$1,441,348, as against \$1,472,675 in 1923. The current net earnings amounted to \$246,795, as contrasted with \$1,280,760 for the preceding year.

During 1924 additions to current net earnings (consisting of unused reserves previously set up, income from sale of equipment, etc.) aggregated \$16,264, while deductions (representing charge-offs on real estate owned, furniture and equipment, etc.) amounted to \$59,122, leaving net earnings of \$203,937 available for dividends, surplus and franchise tax. Inasmuch as the accrued dividends for the year totalled \$304,976, it was necessary to use \$101,039 of the surplus fund to pay them in full. No franchise tax was paid to the Government at end of the year.

***Assets and Liabilities.***—Between December 31, 1923 and 1924, total resources of this bank decreased from \$194,570,000 to \$193,329,000. Holdings of paper discounted for member banks decreased from \$57,282,000 to \$10,130,000, while bills bought increased from \$43,000 to \$21,391,000. Participations in United States securities and foreign loans on gold increased from nothing to

\$15,088,000 and \$294,000, respectively. Total cash reserves increased from \$102,331,000 to \$103,563,000 during the year.

Among the liabilities, Federal reserve notes in circulation declined from \$75,872,000 to \$57,812,000 between the dates mentioned. Total deposits increased from \$73,608,000 to \$83,650,000. The paid-in capital increased from \$5,009,000 to \$5,129,000, while the surplus was reduced from \$10,072,000 to \$9,971,000.

**Reserve Position.**—Due to the reduced demand for credit, the reserve position of this bank was strong throughout 1924. On December 31, 1923, the ratio of total reserves to deposit and Federal reserve note liabilities stood at 68.5 per cent, as contrasted with 73.2 per cent at the end of 1924. The lowest point of the year was reached on December 20, when the ratio was 66.4 per cent. The highest ratio attained was 86.7 per cent on July 7.

## VOLUME OF OPERATIONS

**Discounts.**—In course of the year, this bank discounted for its member banks a total of \$605,117,820 of paper, which compares with \$1,679,671,174 during 1923.

Applications for discounts numbered 8,810 as against 10,618 for the preceding year. The number of notes discounted was 42,628, while the number in 1923 was 57,036. Although there was a decrease in the volume, there was an increase in the number of different member banks using the discount facilities. In 1924 the number accommodated was 391, as contrasted with 362 during the previous year.

Of the paper discounted during 1924, 38,499 notes, aggregating \$264,658,320, were customers' paper rediscounted and 4,129 notes, totalling \$340,459,500, were member banks' own fifteen day collateral notes secured by United States securities or eligible paper.

At the opening of the year the discount rate of this bank was 4½ per cent on all classes and maturities of paper. Effective June 19 the rate was reduced to 4 per cent on all classes and maturities of paper, and continued at the latter figure until the close of the year.

**Investments.**—Open market operations in 1924 were considerably larger than during the previous year. This bank purchased for its own account a total of 3,547 acceptances, amounting to \$50,731,975, which compares with 2,074 bills, aggregating



35,011,449, bought in 1923. No bills were purchased from the portfolios of other Federal reserve banks in 1924, whereas during the preceding year 140 bills, representing \$2,431,900, were acquired from that source.

During the year this bank made no direct purchases of United States securities for its own account. However, it did participate in purchases of such securities made by the Open Market Investment Committee of the twelve Federal reserve banks. Most of the acceptances were also procured through that committee.

**Currency.**—During the year under review, 107,280,357 pieces of paper currency, representing \$484,794,810, and 120,108,530 coins, of the value of \$15,501,827, were received from all sources and counted by this bank. The total number of pieces of currency and coin received and counted was 227,388,887, aggregating \$500,296,637, as against 226,405,318 pieces, amounting to \$535,585,849, in 1923.

The Federal Reserve Agent issued to the Federal Reserve Bank of St. Louis during the year \$13,540,000 of Federal reserve notes, including new and used currency, as compared with \$13,220,000 in 1923. The bank returned \$1,720,000 to fit notes to the Federal Reserve Agent and the Treasurer of the United States redeemed \$39,479,110 of unfit notes. Federal reserve notes outstanding December 31, 1924, on the books of the Federal Reserve Agent amounted to \$64,599,555. These were secured by \$56,589,715 of gold and \$31,493,578 of eligible paper pledged with him. Of the notes outstanding, \$6,368,800 were held by the parent bank and branches, \$419,100 were in transit to Washington for redemption and \$57,811,655 in actual circulation.

**Transit Items.**—The check collection facilities were used to a greater extent than in any preceding year. A total of 45,792,736 checks, amounting to \$9,966,284,504, was handled, which compares with 43,736,724 checks, representing \$9,547,434,042, cleared in 1923. These figures include a small volume of duplications on account of checks handled by both parent bank and branches. The total items handled included checks drawn on banks in this and other districts, checks of member banks against their reserve accounts with this institution, and checks and warrants on the Treasurer of the United States.

At the end of the year 540 member banks were using the clearing facilities, as compared with 414 at the close of 1923. There

were 49 banks which had been granted the privilege of direct routing of checks payable in other Federal reserve districts. The number of nonmember banks maintaining clearing accounts with this institution was 25. This bank was collecting checks at par on 2,853 banks in the district. There were 332 non-par banks, located as follows: Arkansas, 77; Illinois, 10; Indiana, 3; Kentucky, 7; Mississippi, 161; Missouri, 26; and Tennessee, 48.

**Collection Items.**—During the year this bank received from its member banks for collection 231,084 notes, drafts, bills, etc., involving \$292,398,038, as compared with 214,489, amounting to \$368,108,754, in 1923. It also received for collection 34,261 coupons (except Government), representing \$25,704,658, which compares with 29,800, aggregating \$27,317,667, during the previous year. The number of Government coupons received and paid was 2,829,264, amounting to \$25,400,103, as against 3,469,827, aggregating \$28,416,162, in 1923.

**Transfers of Funds.**—In course of the year, this bank effected a total of 112,129 incoming and outgoing wire and mail transfers of funds, involving \$4,341,042,742, as contrasted with 86,247 transfers amounting to \$3,552,220,668, in 1923. These transactions were between member banks in this district and other districts, as well as between member banks within the district.

This bank also handled 17,545 deposits, aggregating \$28,043,130, for National banks to their 5 per cent redemption funds in Washington. The number of such deposits during the preceding year was 17,344, amounting to \$30,102,620.

**Safekeeping.**—During the year this bank continued its service of receiving from its member banks and holding for safekeeping United States securities, maturing notes and bills and other paper eligible for rediscount or acceptable as collateral. It also held securities in custody for the United States Treasury, War Finance Corporation, etc. When requested, it clipped maturing coupons from Government securities and collected maturing notes and bills, making disposition of the proceeds according to instructions.

In course of the period under review, the custody department received for safekeeping 129,699 securities, of which 79,556 were from outside sources and 50,143 from other departments of the bank. It clipped and accounted for 107,824 coupons from the securities held.

**Fiscal Agency.**—The functions performed by this bank as fiscal agent of the United States Government consisted chiefly of the sale, delivery, exchange, and redemption of securities and the receipt and disbursement of funds.

During the year this bank received 1,177 subscriptions for new Government issues (other than Treasury savings securities) and delivered 19,443 pieces, representing \$36,654,000. It also handled 6,275 applications for redemption or exchange for new issues. The securities received in these transactions numbered 35,237 and amounted to \$52,547,665. In addition, it handled 17,352 applications for exchange, receiving a total of 129,257 pieces, involving \$66,458,500.

The sale of savings securities was discontinued by the Treasury Department on July 15. As a consequence, only 4,359 Treasury savings certificates, representing \$1,238,175, were issued. During the year, this bank redeemed 188,604 thrift and war savings stamps, amounting to \$930,222, and received from post offices 300,905 of redeemed savings stamps, aggregating \$1,257,249.

The total number of pieces of securities handled by this institution in issuing, redeeming and exchanging Government securities (excluding securities delivered in exchange transactions) was 677,805 and represented \$159,085,811, as compared with 9,645,487 pieces, representing \$356,964,335, in 1923. The large volume of the previous year was due to the redemption of war savings securities maturing January 1, 1923.

Deposits of the United States Government in this bank on December 31 amounted to \$2,468,000, as compared with \$3,042,000 on the last day of 1923. There were 249 banks in the district which had qualified to receive deposits arising from the sale of government securities, as against 247 at the end of the previous year. The amount of Government funds in these depositories was \$12,480,646, which compares with \$8,819,250 at the close of 1923. This bank held the collateral pledged as security for the deposits and performed other duties incident to the deposit and withdrawal of the funds.

This bank also acted as fiscal agent of the War Finance Corporation. No new advances were made in this district during 1924, but renewals aggregating \$276,154 were granted to 24 banks, and renewals totalling \$3,789,871 to 4 cooperative marketing associations. Of the 24 banks receiving extensions of their loans, only one was a member of the Federal Reserve System.



**Gold Settlement Fund.**—Settlement of check clearings between Federal reserve banks, transfers of funds between reserve districts and transfers of funds for the United States Treasury were effected daily through the gold settlement fund in Washington. These transactions were handled over the private wire system which connects the several Federal reserve banks and the Federal Reserve Board. The balance to the credit of this bank in the fund on December 31 was \$23,834,000, as compared with \$35,272,000 on the corresponding date in 1923.

**Mail.**—In course of the year, this bank received and dispatched a total of 2,691,000 envelopes, as contrasted with 2,965,000 in 1923.

## RELATIONS WITH BANKS

**Visits.**—Throughout the year regular calls were made on member and nonmember banks in the district by the field representatives of this institution. The personal contact established by means of regular visits has proved valuable both to the commercial banks and to the reserve bank. The representatives have, in many cases, been able to assist in effecting a more satisfactory use of the facilities provided by this bank.

Conventions and group meetings of bankers' associations were attended by officers and representatives of this bank. Upon request, officers addressed meetings of bankers, commercial organizations, educational institutions, etc.

**Publications.**—This bank continued to issue each month a review of business conditions, copies of which were furnished to the member banks, other business interests and individuals. During the year the mailing list was revised, so that on December 31, the circulation of the review was approximately 7,400 copies, as compared with about 9,200 at the end of the preceding year.

Numerous requests were received for copies of the pamphlets, "Better Banking under the Federal Reserve System," "Advantages of Membership in the Federal Reserve System," etc., which material was promptly supplied.

**Fiduciary Powers.**—During 1924, eleven National banks in the Eighth District were granted permission by the Federal Reserve Board to exercise fiduciary powers under Section 11(k) of the Federal Reserve Act.

At the end of the year there were 120 National banks in this district authorized to exercise fiduciary powers. The distribution

of these banks by States was as follows: Arkansas, 22; Illinois, 29; Indiana, 20; Kentucky, 25; Mississippi, 2; Missouri, 20; and Tennessee, 2.

**Examinations.**—In the year under review examiners for this bank made 90 credit investigations of member State banks and trust companies. These were made in conjunction with examinations by the State banking departments. The Federal reserve examiners also made 11 examinations of State banks applying for membership, of which 9 were made independently.

During the year, this bank called on the State member banks for four reports of condition, as of the following dates: March 31, June 30, October 10, and December 31. The Comptroller of the Currency called on the National banks for four reports of condition, as of the same dates.

Copies of the periodical reports of condition, semi-annual reports of earnings and dividends and reports of examinations of the National banks in this district, as well as those of State bank members, were received and handled by the examination department.

**Membership.**—Five new National banks became members of the Federal Reserve Bank of St. Louis in 1924. The memberships of eleven National associations were terminated—nine through voluntary liquidation, one through consolidation with another national bank, and one through receivership proceedings. Ten State banks and trust companies became members. The memberships of six State institutions were terminated—one through consolidation, two through voluntary liquidation, one through involuntary liquidation, and two after giving the required six months' notice.

On December 31, 1924, this bank had a membership of 628, consisting of 495 National banks and 133 State banks and trust companies. Of the total number of member banks, 403 were assigned to the parent bank, 72 to the Little Rock Branch, 93 to the Louisville Branch and 60 to the Memphis Branch.

While the number of member banks at the close of the year represented only 26 per cent of those eligible to membership, their resources represented over 66 per cent of the total resources of all eligible banks in the district.

**Foreign Accounts.**—During 1924 this bank participated with the New York Federal Reserve Bank in certain investment transactions for banking institutions in England, France, Belgium, Switzerland, Holland, Czecho Slovakia, Japan, Sumatra and Columbia.

## ORGANIZATION

**Conferences.**—The annual conference of the directors and officers of the parent bank with the directors of the branches was held in St. Louis on May 27. Hon. Geo. R. James, member of the Federal Reserve Board, was present. In addition, officers of the parent bank and branches held conferences from time to time during the year.

**By-Laws.**—The by-laws of the branches were amended on October 15, according to instructions of the Federal Reserve Board, so as to provide for seven directors of each branch instead of five, four to be appointed by the directors of the parent bank and three by the Federal Reserve Board. Beginning January 1, 1925, two of the directors (one appointed by this bank and one by Federal Reserve Board) will serve for terms of one year, two similar appointees will serve two years, and two for three years. Thereafter the terms of six directors will be for three years each. The seventh, appointed by this bank and designated Managing Director, will be subject to reappointment from year to year.

**Personnel.**—Of the directors of the parent bank, the terms of Wm. McC. Martin, J. C. Utterback, and Rolla Wells, expired on December 31. Mr. Martin was reappointed by the Federal Reserve Board as Class C director for a three year term beginning January 1, 1925. He was also redesignated Chairman of the Board and Federal Reserve Agent. At the election terminating December 3, member banks in Group 1 reelected Mr. Wells as a Class B director and member banks in Group 2 reelected Mr. Utterback as a Class A director, each to serve three years from January 1, 1925.

John J. Heflin resigned as managing director of the Memphis Branch, effective close of business June 18. On that date V. S. Fuqua, who had been serving as cashier of the branch, was elected managing director for the unexpired term of Mr. Heflin. S. K. Belcher, assistant cashier, was promoted to the cashiership, and C. E. Martin, assistant auditor, was elected assistant cashier of the branch. On December 4, F. M. Sackett, a director of the Louisville Branch, resigned, and on December 10, Geo. W. Norton, also a director of that branch, died.

On December 31 this bank had a total of 579 officers and employees, one of which was a temporary employee. At the end of



he previous year, the personnel numbered 672, of which 17 were temporary employees. The force was distributed as follows:

	Dec. 31, 1924	Dec. 31, 1923
St. Louis Parent Bank.....	383	451
Louisville Branch.....	76	86
Memphis Branch.....	71	75
Little Rock Branch.....	49	60
Totals.....	579	672

A list of the directors and officers of the parent bank and each branch, for the year 1925, is given elsewhere in this report.

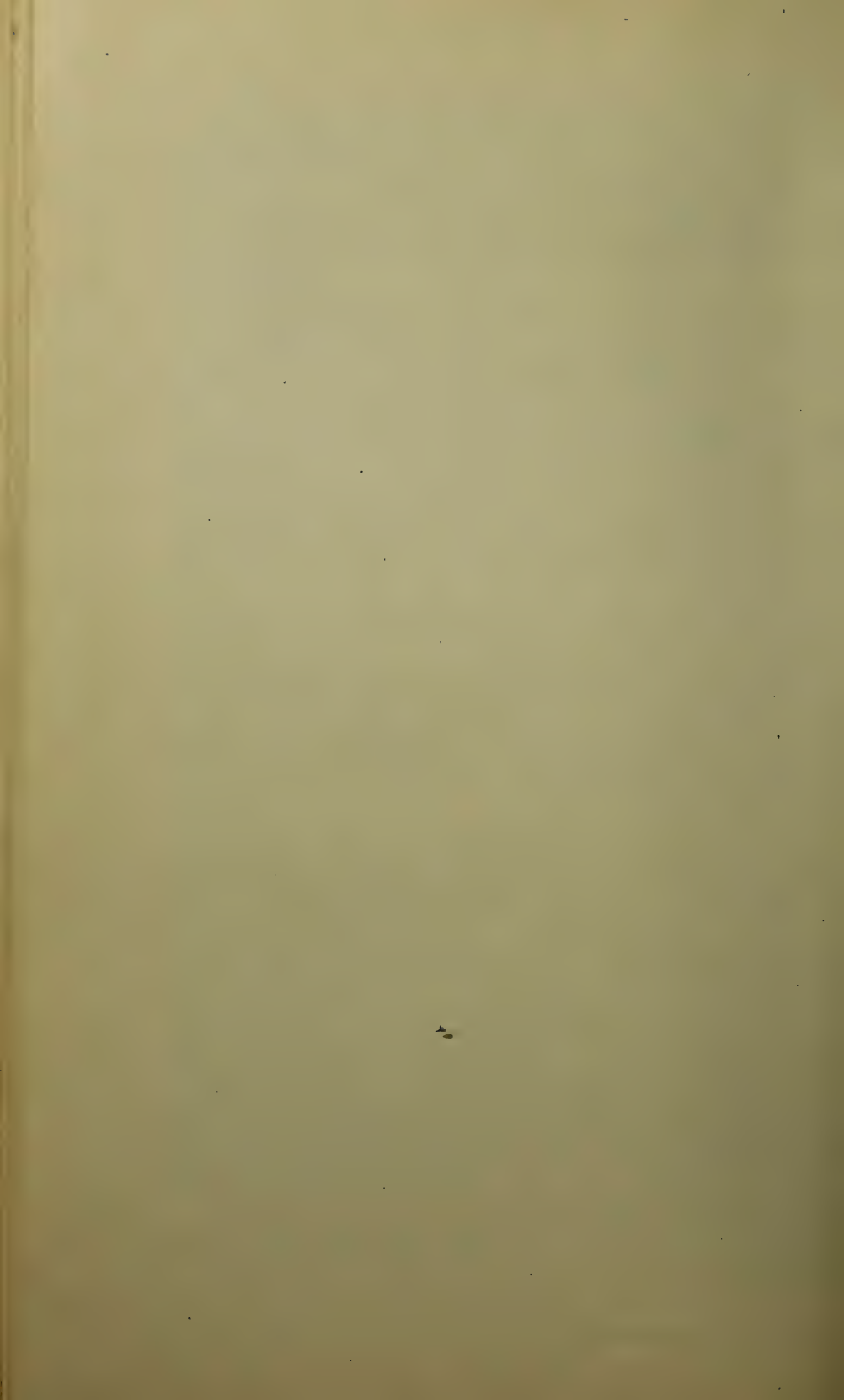
## BANKING QUARTERS

**St. Louis Parent Bank.**—Throughout the year the head office continued to occupy rented quarters in the Federal Reserve Bank Building, five floors of the adjoining Commerce Trust Building, space in the Custom House and storage space in the Planters Building. The new building at 411 Locust Street is nearing completion, and the parent bank expects to move into it before the middle of 1925.

**Branches.**—There was no change in location of quarters of the branches at Louisville, Memphis and Little Rock. However, the addition to the Louisville building is practically completed, and the branch expects to take possession shortly after January 1, 1925. The new building for the Little Rock Branch at Third and Louisiana streets is also nearing completion and is expected to be ready for occupancy in March, 1925.

## EXHIBITS

The following detailed schedules in reference to this bank and district will appear in the forthcoming annual report of the Federal Reserve Board for 1924: (1) Comparative statement of condition, (2) Movement of principal assets and liabilities, (3) Discounts and purchases of bills and securities, (4) Volume of bills discounted for member banks in each State, (5) Earnings and expenses, (6) Volume of operations in principal departments, (7) Operations of Federal Reserve Clearing System, (8) Clearings and transfers through Gold Settlement Fund, (9) Principal assets and liabilities of reporting member banks, and (10) Debits to individual accounts in leading centers of the district. A chart showing movement of the principal assets and liabilities of this bank will also be published in the Board's report.



# FEDERAL RESERVE BANK OF ST. LOUIS

## DIRECTORS

### CLASS C

WM. McC. MARTIN, Chairman of the Board, St. Louis, Mo.  
JOHN W. BOEHNE, Deputy Chairman, Evansville, Ind.  
C. P. J. MOONEY, Memphis, Tenn.

### CLASS A

JOHN G. LONSDALE, St. Louis, Mo.  
JOHN C. MARTIN, Salem, Ill.  
J. C. UTTERBACK, Paducah, Ky.

### CLASS B

LE ROY PERCY, Greenville, Miss.  
W. B. PLUNKETT, Little Rock, Ark.  
ROLLA WELLS, St. Louis, Mo.

## OFFICERS

WM. McC. MARTIN,  
Chairman of the Board and  
Federal Reserve Agent.  
C. M. STEWART,  
Asst. Federal Reserve Agent.  
E. J. NOVY,  
General Auditor.  
H. L. TRAFTON,  
E. I. NOWOTNY,  
Assistant Auditors.

D. C. BIGGS,  
Governor.  
OLIN M. ATTEBERY,  
Deputy Governor.  
J. G. McCONKEY,  
Counsel and Secretary.  
J. W. WHITE,  
Cashier.  
A. H. HALL,  
J. W. RINKLEFF,  
S. F. GILMORE,  
E. C. ADAMS,  
F. N. HALL,  
Assistant Cashiers.

## LOUISVILLE BRANCH

### DIRECTORS

WILLIAM BLACK, Chairman, Louisville, Ky.  
ATTILLA COX, Louisville, Ky.  
EUGENE E. HOGE, Frankfort, Ky.  
W. P. KINCHELOE, Louisville, Ky.  
MAX B. NAHM, Bowling Green, Ky.  
E. L. SWEARINGEN, Louisville, Ky.  
E. H. WOODS, Lucas, Ky.

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W. P. KINCHELOE,  
Managing Director.  
JOHN T. MOORE,  
Cashier.  
EARL R. MUIR,  
Assistant Cashier.  
L. A. MOORE,  
Branch Auditor.

## MEMPHIS BRANCH

### DIRECTORS

S. E. RAGLAND, Chairman, Memphis, Tenn.  
E. M. ALLEN, Helena, Ark.  
W. H. GLASGOW, Memphis, Tenn.  
JOHN D. McDOWELL, Memphis, Tenn.  
T. K. RIDDICK, Memphis, Tenn.  
R. BRINKLEY SNOWDEN, Memphis, Tenn.  
J. W. VANDEN, Jackson, Tenn.

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A. E. DEBRECHT,  
Branch Auditor.

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A. F. BAILEY, Little Rock, Ark.  
JOHN M. DAVIS, Little Rock, Ark.  
W. A. HICKS, Little Rock, Ark.  
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STUART WILSON, Texarkana, Ark.  
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CLIFFORD WOOD,  
Assistant Cashier.  
F. P. MAGUIRE,  
Branch Auditor.

## MEMBER FEDERAL ADVISORY COUNCIL

BRECKINRIDGE JONES, St. Louis, Mo.

MARCH 1, 1926



## LETTER OF TRANSMITTAL

---

FEDERAL RESERVE BANK OF ST. LOUIS

St. Louis, February 8, 1926.

Gentlemen:

I have the honor to transmit herewith the eleventh annual report of the Federal Reserve Bank of St. Louis, covering the year ended December 31, 1925.

Respectfully

WM. McC. MARTIN,  
Chairman of the Board and  
Federal Reserve Agent.

FEDERAL RESERVE BOARD,  
Washington, D. C.

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## BUSINESS CONDITIONS

### IN FEDERAL RESERVE DISTRICT NO. 8

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*Volume of Business.*—The year 1925 was a period of general business prosperity in this district. Expansion in volume was the rule in virtually all the principal lines of commerce and industry, with several of the most typical and important making new high records in point of both production and distribution.

While the changed methods and practices in conducting business were strongly in evidence during 1925, the year was the most normal and regular of the post-war period. Business was affected by no drastic or radical movements; there was a notable absence of inflation and speculation in merchandise; the great volume of production was met by a correspondingly high consumption, and in a majority of instances, stocks as disclosed by the year-end inventories were in a healthy condition. Further progress was achieved in the stabilizing of prices and the balancing of values between the several groups of commodities.

An outstanding feature of the year's business was the continued decline in purchasing goods for future needs. Improved transportation service and more efficient methods among producers and distributors have facilitated buying for immediate requirements, and this practice has become more prevalent. As a result, the turnover has been more rapid and it has been possible to transact business with a relatively smaller amount of credit. Business interests have adjusted themselves to the change, and in the main it has met with approval and made for sounder conditions.

As indicated by debits to individual accounts, sales statistics, railroad loadings and other recognized measures, spending in the district was the largest on record. The building industry, which since 1920 has been a leading factor in general business prosperity, reached new high levels in 1925. Throughout the year the employment situation was more uniformly satisfactory than since the war, and wage scales were maintained at the high levels prevailing during the preceding twelve months.

**Agriculture.**—Weather conditions during 1925 were distinctly unfavorable for agricultural developments. It was a year of sudden and radical changes in temperature, and of periods of excessive rainfall alternating with drought. Despite these meteorological handicaps, final results obtained in the farming areas were on the whole satisfactory. Of the chief crops, corn yielded more heavily in this district than in 1924, but quality was not high and prices were lower than the year before. The total wheat production was approximately the same as in 1924, with the average price higher. Oats was a heavier crop than the year before, but prices were considerably lower. Cotton yielded more bales than in 1924, but average quality was low and prices were below those of the preceding season. The tobacco crop was slightly smaller than in 1924.

At the end of the year economic conditions in the most important agricultural sections were better than at any time in the past three years. Returns from their crops enabled farmers to reduce their indebtedness substantially, besides leaving a margin sufficient to undertake improvements to their farms and replace equipment. Results of more scientific methods and diversification of recent years are becoming manifest in augmented incomes. Noticeable in the year's developments was a steady growth of fruit and vegetable raising, as well as more profitable ventures in dairying and poultry production.

**Banking.**—As was the case during the preceding twelve months, 1925 was a year of abundant credit supply. Commercial banks were easily able to meet all demands of their mercantile and industrial customers, and the crop movements were financed with no evidence of strain. Interest and discount rates were relatively low. Deposits of commercial banks rose to new high levels, and loans and discounts were the highest since early in 1920.

The general trend is reflected in changes in the assets and liabilities of the 33 reporting member banks at Evansville, Little Rock, Louisville, Memphis and St. Louis. Between the last report dates in December, 1924 and 1925, their net demand deposits increased from \$414,041,000 to \$431,178,000; time deposits decreased from \$212,287,000 to \$206,497,000; loans and discounts (gross) increased from \$499,713,000 to \$524,412,000, and investments increased from \$163,729,000 to \$171,082,000. Accommodations of the reporting banks at the Federal Reserve Bank increased from \$1,716,000 to \$11,116,000.

## OPERATIONS OF FEDERAL RESERVE BANK OF ST. LOUIS

Including Branches at Little Rock, Louisville and Memphis.

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The service rendered by the Federal Reserve Bank of St. Louis during 1925 is indicated by the large volume of work performed in the several departments.

### FINANCIAL RESULTS OF OPERATION.

***Income and Expenditures.***—Gross earnings in 1925 were \$2,055,637, as compared with \$1,688,143 for the preceding year. Of the gross earnings, \$837,819 were derived from paper discounted, \$454,428 from bills purchased, \$712,085 from United States securities and \$51,305 from miscellaneous sources.

Current expenses for the year aggregated \$1,390,099, as against \$1,441,348 in 1924.

The current net earnings amounted to \$665,538, as contrasted with \$246,795 the year before. Additions to current net earnings in 1925 (consisting of income from sales of furniture, equipment, etc.) aggregated \$59,748, while deductions (representing charge-offs on buildings, equipment, furniture, etc.) totalled \$818,826, leaving a deficit in profit and loss account of \$93,540. After payment of dividends for the year, totalling \$306,753, the deficit amounted to \$400,293, which was charged to surplus.

***Assets and Liabilities.***—Between December 31, 1924 and 1925, total resources of this bank decreased from \$193,329,000 to \$175,916,000. Holdings of paper discounted for member banks increased from \$10,130,000 to \$22,868,000, while bills bought increased from \$21,391,000 to \$22,181,000. Investments in United States securities increased from \$15,088,000 to \$24,347,000, and foreign loans on gold increased from \$294,000 to \$359,000. Cash reserves decreased from \$103,563,000 to \$58,982,000 during the year.



Of the liabilities, Federal reserve notes in circulation decreased from \$57,813,000 to \$40,305,000 between the dates mentioned. Total deposits increased from \$83,650,000 to \$84,052,000. The paid-in capital decreased from \$5,129,000 to \$5,127,000, while the surplus was reduced from \$9,970,703 to \$9,570,410.

**Reserve Position.**—At the opening of the year the ratio of total reserves to deposit and Federal reserve note liabilities combined stood at 73.2 per cent. The ratio was high until the middle of May, when a downward trend began and continued irregularly throughout the remainder of the year. On December 31 the reserve ratio stood at 47.4 per cent.

### VOLUME OF OPERATIONS.

**Discounts.**—A total of \$718,720,000 of paper was discounted for member banks by this institution during 1925, which compares with \$605,118,000 in 1924. There was no discounting for or with other Federal reserve banks in either year.

Applications for discounts numbered 6,782, as against 8,810 for the preceding year. The number of notes discounted was 31,954, which compares with 42,628 in 1924. The number of individual member banks availing themselves of the discount privilege in 1925 was 339, as against 391 in the earlier period.

Of the paper discounted during 1925, 28,309 notes, aggregating \$280,870,000, were customers' paper rediscounted, and 3,645 notes, totalling \$437,850,000, were member banks' own fifteen-day collateral notes secured by United States securities or eligible paper.

Throughout the year the discount rate of this bank remained at 4 per cent on all classes and maturities of paper.

**Investments.**—During 1925 this bank purchased in the open market for its own account 6,310 acceptances, amounting to \$102,221,000, which compares with 3,547 bills, aggregating \$50,732,000, bought in 1924. As was the case during the twelve months preceding, no bills were purchased from the portfolios of other Federal reserve banks.

The investments in United States securities for the year aggregated \$41,407,000, as compared with \$32,290,000 in 1924.

Most of these were participations in purchases made by the Open Market Investment Committee of the twelve Federal reserve banks. The major part of the acceptances were also acquired through this agency.

**Currency.**—The number of pieces of money handled in 1925 was about the same as that of the previous year, but the total value represented was larger. There were 104,633,000 pieces of paper currency, amounting to \$498,449,000, and 122,353,000 coins, of the value of \$15,354,000, received from all sources and counted by this bank. In 1924 a total of 107,280,000 pieces of paper currency, representing \$484,795,000, and 120,109,000 coins, with value of \$15,502,000, were handled.

The Federal Reserve Agent issued to the Federal Reserve Bank of St. Louis during the year \$10,420,000 of Federal reserve notes, including new and used currency, as compared with \$13,540,000 in 1924. The bank returned \$200,000 of fit notes to the Federal Reserve Agent, and the Treasurer of the United States redeemed \$28,240,000 of unfit notes. The amount of Federal reserve notes outstanding December 31, 1925, on the books of the Federal Reserve Agent, was \$46,580,000. These were secured by \$15,820,000 of gold and \$45,025,000 of eligible paper pledged with him. Of the notes outstanding, \$5,550,000 were held by the parent bank and branches, \$725,000 were in transit to Washington for redemption and \$40,305,000 were in actual circulation.

**Transit Items.**—There was continued growth in the use of the check collection facilities of this bank during 1925. A total of 46,316,000 checks, amounting to \$10,770,671,000 was handled, which compares with 45,793,000 checks, amounting to \$9,966,285,000 cleared in 1924. A small volume of duplications is represented in these totals, due to some checks being handled by both parent bank and branches. Included in the items handled were checks drawn on banks in this and other districts, checks of member banks against their reserve accounts with this institution, and checks and warrants on the United States Treasurer.

During the year 598 individual member banks used the clearing facilities, as compared with 540 in 1924. At the close

of 1925 the number of banks which had been granted the privilege of direct routing of checks payable in other Federal reserve districts was 50, as against 49 at end of the previous year. There were 21 non-member banks maintaining clearing accounts with this bank, which compares with 25 at the close of 1924.

On December 31, 1925, this bank was collecting checks at par on 2,739 banks, which was over 87 per cent of all banks in the district.

**Collection Items.**—In course of the year this institution received from its member banks for collection, 206,678 non-cash items, involving \$255,426,000, which compares with 265,345, amounting to \$318,103,000, in 1924. These items consisted of notes, acceptances, drafts, certificates of deposit, bonds, coupons (other than Government), etc.

In addition, this bank received and paid 2,488,498 Government coupons, representing \$24,052,000, as compared with 2,829,000, aggregating \$25,400,000, the year before.

On December 31, there were 60 banks which had been granted the privilege of direct routing of non-cash items payable in other Federal reserve districts, as compared with 36 at the end of 1924.

**Transfers of Funds.**—During the year this bank effected a total of 151,936 incoming and outgoing wire and mail transfers of funds, involving \$4,991,465,000, as against 112,129 transfers, amounting to \$4,341,043,000, in 1924. These transfers were between member banks in this district and other districts, as well as between member banks within the district.

In addition, this bank handled 16,219 deposits, aggregating \$25,235,000, for national banks to their 5 per cent redemption funds in Washington. The number of such deposits and their aggregate amount in 1924 were 17,545 and \$28,043,000, respectively.

**Safekeeping.**—On October 13, 1925, this bank extended its custody service. After that date, any negotiable securities or notes and bills owned by member banks were accepted from them for safekeeping. In addition, it held securities in custody for the United States Treasury.



Upon request, this bank clipped maturing coupons from securities held in custody and collected maturing notes and bills, making disposition of the proceeds according to instructions.

In course of the year is clipped and accounted for 99,751 coupons from the securities held, which compares with 107,824 during 1924.

**Fiscal Agency.**—In its capacity as fiscal agent of the United States Government, the functions performed by this bank consisted mainly of the sale, delivery, exchange and redemption of securities and the receipt and disbursement of funds.

The total number of pieces of securities handled by this bank during 1925, in issuing, redeeming and exchanging Government securities (excluding securities delivered in exchange transactions) was 330,047 and represented \$159,120,000, as against 677,805 pieces, representing \$159,086,000, in 1924.

At the close of 1925, there were 252 banks in the district which had qualified to receive deposits arising from the sale of Government securities, as against 249 at the end of the previous year. The amount of Government funds in these depositaries was \$11,087,000, which compares with \$12,481,000 at the close of 1924. This institution held the collateral pledged as security for the deposits and performed other duties incident to the deposit and withdrawal of the funds.

On December 31, 1925, deposits of the United States Government in this bank amounted to \$1,468,000, as compared with \$2,468,000 on the corresponding date in 1924.

**Gold Settlement Fund.**—Settlement of check clearings between Federal reserve banks, transfers of funds between reserve districts and transfers of funds for the United States Treasury continued to be effected daily through the gold settlement fund in Washington. These transactions were handled over the private wire system which connects the several Federal reserve banks, their branches and the Federal Reserve Board.

The balance to the credit of this bank in the fund on December 31 was \$20,398,000, as compared with \$23,834,000 on the last day of 1924.

**Mail.**—A total of 2,325,000 envelopes was received and dispatched by this bank during 1925, which compares with 2,691,000 in 1924.

## RELATIONS WITH BANKS.

**Visits.**—Continuing the practice previously inaugurated, regular calls were made throughout the year on member and non-member banks in the district. The value of such visits has been evident in many ways, principally in establishing personal contact with officers of the banks, and in bringing about a better understanding of the System and a more efficient use of the facilities it provides.

A large number of bankers and other visitors have called to inspect the new buildings of the parent reserve bank in St. Louis and the branch in Little Rock, as well as the addition to the quarters of the Louisville Branch.

Officers of all member banks in the district were invited by the Bankers' Club of St. Louis to the city on June 17, to commemorate the first decade of the Federal Reserve Bank. On this occasion about 400 bankers visited the institution.

**Publications.**—As in the past, a review of business conditions was prepared each month and mailed to the member banks, business interests who co-operated in supplying information, and others interested in receiving it. The mailing list was revised in course of the year, and on December 31 the circulation was 7,336, or approximately the same as at the end of the preceding year.

**Fiduciary Powers.**—In 1925, nine national banks in the Eighth District were granted permission by the Federal Reserve Board to exercise fiduciary powers under Section 11(k) of the Federal Reserve Act, and two banks which had previously received authority went out of business.

At the close of the year there were 127 national banks in this district authorized to exercise fiduciary powers. The distribution of these banks by States was as follows: Arkansas,

24; Illinois, 29; Indiana, 22; Kentucky, 27; Mississippi, 3; Missouri, 20, and Tennessee, 2.

**Examinations.**—Examiners for this bank in course of the year made 107 credit investigations of member State banks and trust companies. These were made in conjunction with examinations by the State banking departments. The Federal reserve examiners also made 8 examinations of State banks applying for membership.

Four calls were made by this institution upon State member banks for reports of condition. The dates of these calls were: April 6, June 30, September 28 and December 31. The Comptroller of the Currency called on the national banks for four reports of condition as of the same dates.

Copies of the periodical reports of condition, semi-annual reports of earnings and dividends, and reports of examinations of the national banks of the district, as well as those of State member banks, were received and handled by the Examination Division.

**Membership.**—Ten new national banks became members of the Federal Reserve Bank of St. Louis in 1925. The memberships of seven national associations were terminated—all through voluntary liquidation. Five State banks and trust companies became members. Memberships of eight State institutions were terminated—one through consolidation, three through involuntary liquidation, and four after giving the required six months' notice.

On December 31, 1925, this bank had a membership of 628, consisting of 498 national banks and 130 State banks and trust companies. The resources of the member banks represented about two-thirds of the total resources of all eligible banks in the district.

**Foreign Accounts.**—This institution in 1925 participated with the Federal Reserve Bank of New York in certain investment transactions for banking institutions in England, France, Belgium, Switzerland, Holland, Czecho Slovakia, Germany, Hungary, Poland, Sweden, Japan, Sumatra and Columbia.



## ORGANIZATION.

*Conferences.*—The annual conference of directors and officers of the parent bank with directors of the branches was held in St. Louis on June 17. Hon. D. R. Crissinger, Governor of the Federal Reserve Board, was present. In addition, officers of the parent bank and the branches held conferences from time to time during the year.

*Personnel.*—The following directors were chosen in December to succeed those whose terms were expiring at the end of 1925:

For Parent Bank—John C. Martin, Class A, elected by member banks in Group 3; W. B. Plunkett, Class B, elected by member banks in Group 2, and C. P. J. Mooney, Class C, appointed by the Federal Reserve Board;

For Louisville Branch—W. P. Kincheloe and Attila Cox, elected by parent bank, and Embry L. Swearingen, appointed by Federal Reserve Board;

For Memphis Branch—V. S. Fuqua and J. W. Vanden, elected by parent bank, and T. K. Riddick, appointed by Federal Reserve Board;

For Little Rock Branch—A. F. Bailey and W. A. Hicks, elected by parent bank, and Moorhead Wright and Gordon H. Campbell, appointed by Federal Reserve Board. Mr. Campbell was chosen for the unexpired term of C. S. McCain, who had resigned effective at end of the year.

Breckinridge Jones represented this district in the Federal Advisory Council during 1925.

Clifford Wood was elected Assistant Cashier of the Little Rock Branch on August 5, to succeed F. A. Coe, resigned.

On December 31, the parent bank and branches had a total of 586 officers and employees, of which three were temporary employees. At the end of the preceding year the personnel numbered 579, of which 1 was a temporary employe.

A roster of the directors and officers of the parent bank and each branch is given on page 1.

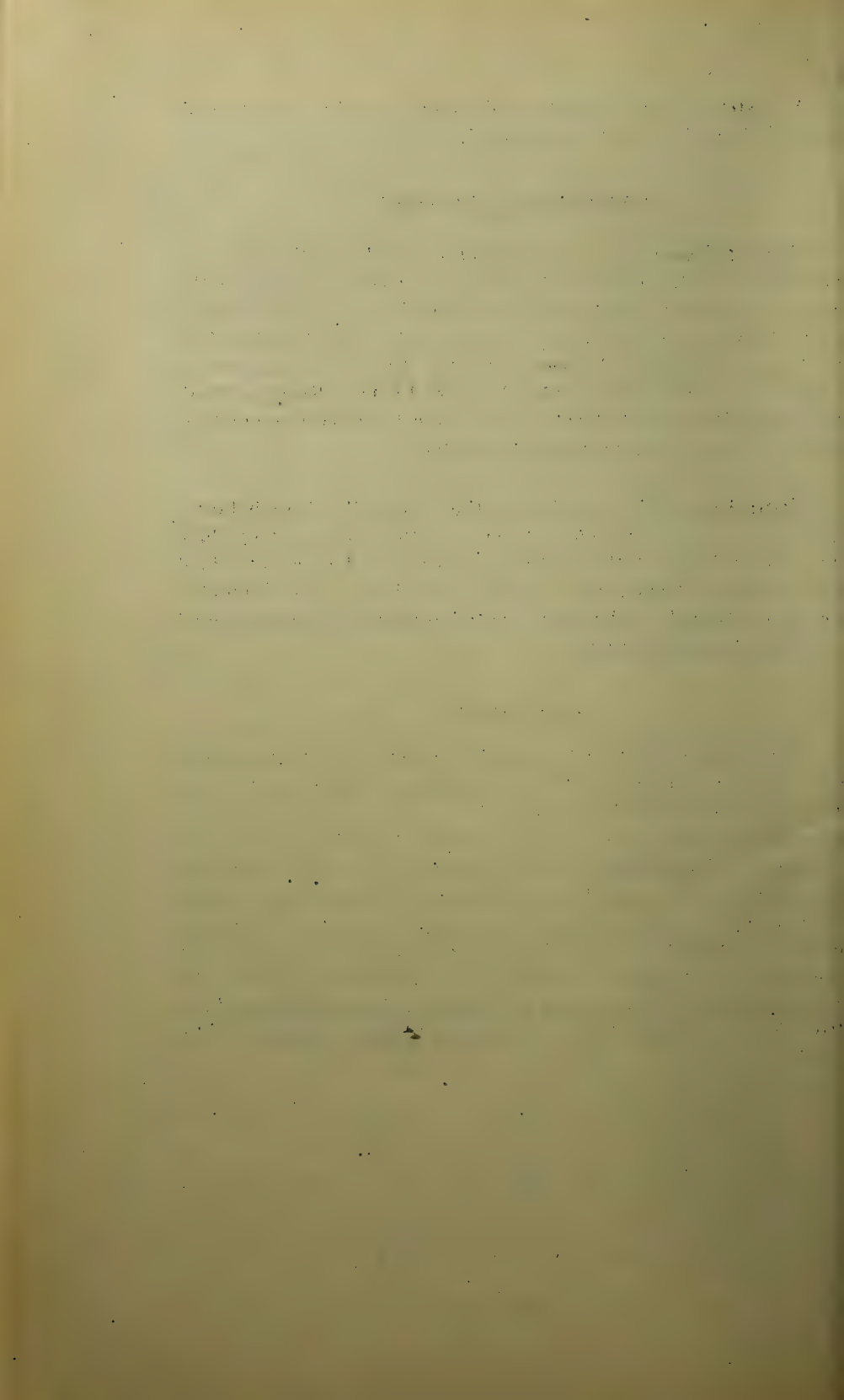
## BANKING QUARTERS

**Parent Bank.**—During the early months of the year the head office in St. Louis continued in its leased quarters in the Federal Commerce Trust building at Broadway and Pine streets, while storage space was still retained in the Planters building and the U. S. Custom House. On May 30 and 31, equipment, records, etc., were moved into the new Federal Reserve Bank building at 411 Locust street, and on June 1 the bank opened for business in its new, permanent quarters.

**Branches.**—The addition to the Louisville Branch building was completed and put into service the early part of 1925. The new building of the Little Rock Branch, located at Third and Louisiana streets, was occupied March 16. The Memphis Branch continued in the same rented quarters it has occupied for the past several years.

## EXHIBITS.

The following detailed schedules in reference to this bank and district will appear in the forthcoming annual report of the Federal Reserve Board for 1925: (1) Comparative statement of condition, (2) Movement of principal assets and liabilities, (3) Discounts and purchases of bills and securities, (4) Volume of bills discounted for member banks in each State, (5) Earnings and expenses, (6) Volume of operations in principal departments, (7) Operations of Federal Reserve Clearing System, (8) Clearings and transfers through Gold Settlement Fund, (9) Principal assets and liabilities of reporting member banks, and (10) Debits to individual accounts in leading centers of the district.





321  
317  
926

# FEDERAL RESERVE BANK OF ST. LOUIS

## DIRECTORS

### CLASS C

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JOHN W. BOEHNE, Deputy Chairman, Evansville, Ind.  
PAUL DILLARD, Memphis, Tenn.

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JOHN C. MARTIN, Salem, Ill.  
J. C. UTTERBACK, Paducah, Ky.

### CLASS B

LE ROY PERCY, Greenville, Miss.  
W. B. PLUNKETT, Little Rock, Ark.  
ROLLA WELLS, St. Louis, Mo.

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Chairman of the Board and  
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General Auditor,  
E. I. NOWOTNY,  
A. E. DEBRECHT,  
L. A. MOORE,  
Assistant Auditors.

D. C. BIGGS,  
Governor.  
OLIN M. ATTEBERY,  
Deputy Governor.  
J. G. McCONKEY,  
Counsel and Secretary.  
J. W. WHITE,  
Cashier.  
A. H. HALL,  
J. W. RINKLEFF,  
S. F. GILMORE,  
F. N. HALL,  
Assistant Cashiers.

## LOUISVILLE BRANCH

### DIRECTORS

E. H. WOODS, Chairman, Lucas, Ky.  
WILLIAM BLACK, Louisville, Ky.  
ATTILLA COX, Louisville, Ky.  
EUGENE E. HOGE, Frankfort, Ky.  
W. P. KINCHELOE, Louisville, Ky.  
MAX B. NAHM, Bowling Green, Ky.  
E. L. SWEARINGEN, Louisville, Ky.

### OFFICERS

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JOHN T. MOORE,  
Cashier.  
EARL R. MUIR,  
Assistant Cashier.

## MEMPHIS BRANCH

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E. M. ALLEN, Chairman, Helena, Ark.  
W. H. GLASGOW, Memphis, Tenn.  
JOHN D. McDOWELL, Memphis, Tenn.  
WILLIAM ORGILL, Memphis, Tenn.  
T. K. RIDDICK, Memphis, Tenn.  
R. BRINKLEY SNOWDEN, Memphis, Tenn.  
J. W. VANDEN, Jackson, Tenn.

### OFFICERS

W. H. GLASGOW,  
Managing Director.  
S. K. BELCHER,  
Cashier.  
C. E. MARTIN,  
Assistant Cashier.

## LITTLE ROCK BRANCH

### DIRECTORS

HAMP WILLIAMS, Chairman, Hot Springs, Ark.  
A. F. BAILEY, Little Rock, Ark.  
GORDON H. CAMPBELL, Little Rock, Ark.  
JOHN M. DAVIS, Little Rock, Ark.  
W. A. HICKS, Little Rock, Ark.  
STUART WILSON, Texarkana, Ark.  
MOORHEAD WRIGHT, Little Rock, Ark.

### OFFICERS

A. F. BAILEY,  
Managing Director.  
M. H. LONG,  
Cashier.  
CLIFFORD WOOD,  
Assistant Cashier.

## MEMBER FEDERAL ADVISORY COUNCIL

BRECKINRIDGE JONES, St. Louis, Mo.

FEBRUARY 25, 1927.

## LETTER OF TRANSMITTAL

---

FEDERAL RESERVE BANK OF ST. LOUIS

St. Louis, February 25, 1927.

Gentlemen:

I have the honor to transmit herewith the twelfth annual report of the Federal Reserve Bank of St. Louis, covering the year ended December 31, 1926.

Respectfully,

WM. McC. MARTIN,

Chairman of the Board and  
Federal Reserve Agent.

FEDERAL RESERVE BOARD,  
Washington, D. C.

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## BUSINESS CONDITIONS

### IN FEDERAL RESERVE DISTRICT No. 8

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**Volume of Business.** — The year 1926 was a period of active business in this district. While exhibiting irregularity at times and in certain localities, the general trend was upward. Considered from a business viewpoint, the year in its entirety was well balanced, and followed more closely normal and seasonal lines than any similar period since the beginning of the World War.

As indicated by statistics of merchants and manufacturers, loadings of freight by the railroads, and other available measures, production and distribution of commodities in the district during the past twelve months reached new high levels. Spending by the public, as reflected in debits to individual accounts and bank clearings, was also greater than in any recent year. Taken as a whole, employment conditions throughout the year were satisfactory, this being true of both the country and the large industrial centers.

The year was marked by none of the detrimental symptoms which sometimes in the past have accompanied eras of prosperity. Commodity prices were not unduly advanced; production of manufactured goods was held in close relationship with consumption; there was no evidence of over-expanded inventories, and credit demands were maintained within reasonable bounds. As a matter of fact, the general price trend was downward, and except in the case of certain agricultural products, further progress was achieved in the balancing of prices between the various groups of commodities. The policy characteristic of recent years of purchasing on an immediate requirement basis has continued to grow in 1926, and while it has tended to increase overhead expense in merchandising, it has permitted a more rapid turnover, improved the average of collections, and reduced the volume and duration of credit needs.

Though the volume of building in 1926 fell below that of 1925, it was still heavy and formed an important contributing factor to the general business prosperity. Marked improvement during the last half of the year in demand for and prices of bituminous coal was another substantial aid to business in this district.

**Agriculture.**— The Eighth District depends in great measure for its prosperity upon the results of crops produced within its borders. The year was one of heavy production, although farmers were handicapped by unusually unfavorable weather conditions. Periods of drought alternated with spells of excessive rainfall which lowered quality and reduced yields. There were also some heavy specific losses from floods in the fertile bottom lands along the rivers.

Of the district's principal crops, corn production was slightly smaller in 1926 than in 1925, and quality was below the 10-year average; the total wheat yield was 9.7 per cent larger than in the preceding year, and quality was exceptionally high; the oats crop for the year was smaller by 10.8 per cent than the output in 1925; potatoes yielded heavier in 1926 than a year earlier; the output of tobacco of all descriptions was slightly below that of the preceding year, and the cotton crop was somewhat larger in size than in 1925. Considerable unevenness was shown in results from the less important crops.

Average prices realized on all crops were below those of the year before, and in the case of some important products, notably cotton, corn and tobacco, market values were the lowest in recent years. However, agriculturists benefitted to a greater extent than ever before from the programs of diversification which have been gradually put into effect. On the whole, live stock raising was attended with satisfactory results, and further progress was made in dairying, poultry raising and the culture of fruits and vegetables.

**Banking.**— Financial features in 1926 were the relatively low rates on loans for commercial and industrial purposes, heavy volume of general banking transactions, and increased borrowing from the Federal reserve bank.

The general trend is reflected in changes in the assets and liabilities of the thirty-one weekly reporting member banks at Evansville, Little Rock, Louisville, Memphis, and St. Louis. During the greater part of 1926, total loans for this group of banks were at a higher level than in 1925. Investments also were somewhat higher and showed an increase for the year of approximately \$10,000,000. Net demand and time deposits were at higher levels than in 1925, although net demand deposits, like loans, were lower at the end of 1926 than at the end of 1925. Accommodations of the reporting banks at the Federal reserve bank on the last report date of 1926 amounted to \$20,987,000, which compares with a total of \$11,116,000 on the similar date in 1925.



## OPERATIONS OF FEDERAL RESERVE BANK OF ST. LOUIS

Including Branches at Little Rock, Louisville and Memphis.

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### FINANCIAL RESULTS

**Income and Expenditures.** — Gross earnings in 1926 were \$2,511,509, as compared with \$2,055,637 for the preceding year. Current expenses aggregated \$1,380,104, as against \$1,390,099 in 1925.

The current net earnings amounted to \$1,131,405, as compared with \$665,538 the year before. Additions to current net earnings in 1926 aggregated \$15,852, while deductions totaled \$464,235, leaving a gain of \$683,022 in the profit and loss account.

After payment of dividends for the year, totaling \$314,420, there remained a net profit of \$368,602, which was transferred to surplus.

A detailed comparative statement of earnings and expenses of this bank is given on page 15.

**Assets and Liabilities.** — Between December 31, 1925 and the same date in 1926, total resources of this bank increased from \$175,916,000 to \$182,651,000. Holdings of paper discounted for member banks increased from \$22,868,000 to \$31,129,000, while bills bought decreased from \$22,181,000 to \$7,992,000 and investments in United States securities decreased from \$24,347,000 to \$21,072,000. Cash reserves increased from \$58,982,000 to \$80,078,000 during the year.

Of the liabilities, Federal reserve notes in circulation increased from \$40,305,000 to \$48,396,000 and total deposits from \$84,052,000 to \$84,655,000 between the dates mentioned. The paid-in capital increased from \$5,127,000 to \$5,293,000, and the surplus from \$9,570,000 to \$9,939,000.

A comparative statement of condition of this bank appears on page 16.

**Reserve Position.** — At the opening of 1926 the ratio of total reserves to combined deposit and Federal reserve note liabilities stood at 47.4 per cent. On December 31 the ratio was 60.2 per cent.

The daily average reserve ratio for the year was 53.1 per cent, as compared with an average of 60.5 per cent during 1925.

## VOLUME OF OPERATIONS

**Discounts.** — The volume of paper discounted for member banks in 1926 was over twice the amount handled during the previous year. A total of \$1,504,868,000 of paper was discounted by this institution, which compares with \$718,720,000 in 1925. There was no discounting with or for any other Federal reserve bank in either year.

Applications for discounts numbered 8,729 as against 6,782 for the preceding year. The number of notes discounted was 37,131, which compares with 31,954 in 1925. The number of member banks availing themselves of the discount privilege in 1926 was 330, as against 339 during the preceding twelve months.

In 1926 member banks' own fifteen-day collateral notes, secured by United States securities or eligible paper, represented 14 per cent of the number of notes discounted and 76 per cent of the total dollar amount, the remainder being their customers' paper rediscounted.

As in 1925, the discount rate of this bank remained uniformly at 4 per cent on all classes and maturities of paper.

**Investments.** — During 1926 this bank purchased for its own account 4,525 acceptances, amounting to \$74,112,000, of which 4,162, representing \$66,308,000, were open market purchases and 363, amounting to \$7,804,000, were bought from other Federal reserve banks. In the preceding year 6,310 acceptances, aggregating \$102,221,000, were purchased.

A total of \$54,498,000 of United States Government securities was purchased in 1926, of which \$46,930,000 were bought in the open market and \$7,568,000 from other Federal reserve banks. During the previous year a total of \$41,407,000 of such securities was purchased.

Most of the acceptances and Government securities acquired were participations in purchases made by the Open Market Investment Committee of the twelve Federal reserve banks.

**Currency.** — In course of the year 108,586,952 pieces of paper currency, amounting to \$495,792,000, and 136,924,101 coins, having an aggregate value of \$16,391,000, were received from all sources and counted by this bank. In 1925 a total of 104,633,000 pieces of paper currency, representing \$498,449,000, and 122,353,000 coins, with value of \$15,354,000, were handled.

**Note Circulation.** — During the year the Federal Reserve Agent issued new and used Federal reserve notes to the Federal Reserve Bank of St. Louis amounting to \$32,840,000, as compared with \$10,420,000 in 1925. No fit notes were returned by the bank to the Agent. The Treasurer of the United States redeemed \$25,916,000 of unfit notes of this institution during 1926.

On December 31, 1926, the amount of Federal reserve notes outstanding on the books of the Federal Reserve Agent was \$53,504,000. These were secured by \$19,509,000 of gold and \$39,072,000 of eligible paper pledged with him. The parent bank and branches held \$4,317,000 of the notes outstanding, \$791,000 were in transit to Washington for redemption, and \$48,396,000 were in actual circulation.

No Federal reserve bank notes, secured by Government obligations, were issued by this institution during the year.

**Transit Items.** — Increased use of the check collection facilities of this bank was reflected in the activities of transit department during 1926. A total of 48,573,000 checks, amounting to \$11,313,215,000 was handled, which compares with 46,316,000 checks, amounting to \$10,770,671,000, cleared in 1925. Included in the items handled were checks drawn on banks in this and other districts, checks of member banks against their reserve accounts with this institution, and checks and warrants on the United States Treasurer. In the totals a small number of duplications are included, due to the fact that some checks were handled by both parent bank and branches.

During the year 551 individual member banks used the clearing facilities, as compared with 598 in 1925. At the close of 1926 the number of banks which had been granted the privilege of direct routing of checks payable in other Federal reserve districts was 44, against 50 at the end of the preceding year. There were 29 non-member banks maintaining clearing accounts with this bank, which compares with 21 at the close of 1925.

On December 31, 1926, this bank was collecting checks at par on 2,605 banks, which was approximately 86 per cent of all banks in the district.

**Collection Items.** — In course of the year this institution received from its member banks for collection, 240,946 non-cash items, involving \$190,362,000, which compares with 206,678, amounting to \$255,426,000, in 1925. These items consisted of notes,



acceptances, drafts, certificates of deposit, bonds, coupons (other than Government), etc.

In addition, this bank received and paid 2,247,518 Government coupons, representing \$22,896,000, as compared with 2,488,498 coupons, aggregating \$24,052,000, the year before.

On December 31, 1926, there were 69 banks which had been granted the privilege of direct routing of non-cash items payable in other Federal reserve districts, as compared with 60 at the end of 1925.

**Transfers of Funds.** — During the year this bank effected a total of 199,808 incoming and outgoing wire and mail transfers of funds, involving \$5,320,240,000, as against 151,936 transfers, amounting to \$4,991,465,000, in 1925. These transfers were between member banks in this and other districts, as well as between member banks within the district.

In addition, this bank handled 16,833 deposits, aggregating \$27,467,000, for national banks to their 5 per cent redemption funds in Washington. The number of such deposits and their aggregate amount in 1925 were 16,219 and \$25,235,000, respectively.

**Safekeeping.** — In course of the year, the custody department received for safekeeping 98,507 securities, of which 41,969 were from member banks and 56,538 from other departments of the bank. In 1925 there were received 94,555 securities, 64,703 from member banks and 29,852 from other departments of the bank. In addition, securities were held in custody for account of the United States Treasury. The custody department clipped and accounted for 118,058 coupons from securities held, which compares with 99,751 coupons in 1925.

**Fiscal Agency.** — Activities of the fiscal agency department in 1926 were confined principally to the sale, delivery, exchange and redemption of United States securities, and to the receipt and disbursement of Government funds.

The total number of pieces of securities handled by this department during 1926, in issuing redeeming and exchanging Government securities (excluding securities delivered in exchange transactions) was 209,553 and represented \$141,938,000, as against 330,047 pieces, representing \$159,120,000, in 1925.

At the close of 1926 there were 260 banks in the district which had qualified to receive deposits arising from the sale of Govern-

ment securities, as against 252 at the end of the preceding year. The amount of Government funds in these institutions was \$6,676,000, which compares with \$11,087,000 at the end of 1925. This institution held the collateral pledged as security for the deposits and performed other duties incident to the deposit and withdrawal of the funds.

On December 31, 1926, deposits of the United States Government in this bank amounted to \$1,000,000, as compared with \$1,468,000 on the corresponding date in 1925.

**Gold Settlement Fund.** — As during preceding years, settlement of check clearings between Federal reserve banks, transfers of funds between reserve districts and transfers of funds for the United States Treasury were effected daily through the gold settlement fund at Washington. These transactions were handled over the private wire system which connects the twelve Federal reserve banks, their branches and the Federal Reserve Board.

The balance to credit of this bank in the gold settlement fund on December 31, 1926, was \$33,193,000, which compares with \$20,398,000 on the last day of 1925.

## RELATIONS WITH BANKS

**Membership.** — During 1926, seven new national banks and four State banks and trust companies became members of the Federal Reserve Bank of St. Louis.

The memberships of ten national banks and eleven State institutions were terminated — six national banks and three State banks through voluntary liquidation, three national banks and three State banks through involuntary liquidation, one national bank through consolidation, one State bank by conversion into national association, and four State institutions after giving the required six months notice.

On December 31, 1926, this bank had a membership of 618, consisting of 495 national banks and 123 State banks and trust companies.

**Examinations.** — In course of the year examiners for this bank made 69 credit investigations of member State banks and trust companies of which 63 were made in conjunction with examinations by the State banking departments and six independently. The Federal reserve examiners also made four independent examinations of member State banks, and examined eight State banks applying for membership.

Three calls were made by this institution upon State member banks for reports of condition. The dates of these calls were: April 12, June 30, and December 31. The Comptroller of the Currency called on the national banks for three reports of condition as of the same dates.

Copies of the periodical reports of condition, semi-annual reports of earnings and dividends, and reports of examinations of the national banks of the district, as well as those of State member banks, were received and inspected.

**Supervision.** — It has always been the effort of this bank to help the member banks by encouraging proper banking practices. When member banks have shown a tendency to borrow excessively or continuously, have been repeatedly deficient in their required reserves, or have violated provisions of the Federal Reserve Act or regulations of the Federal Reserve Board, it has been the custom of this bank to call their attention to the matter with a view to its correction. In some instances, results have been accomplished through correspondence, while in others personal interviews with officers and directors of the member banks have been necessary. In addition, certain matters have been taken up with the Comptroller's office or the State banking departments, which have readily cooperated.

**Fiduciary Powers.** — In 1926 the Federal Reserve Board, under authority of Section 11(k) of the Federal Reserve Act, granted permission to 14 national banks in the Eighth District to exercise fiduciary powers. The applications of three national banks for supplementary fiduciary powers were also approved. Five banks which had previously received such permission went out of existence.

At close of the year there were 136 national banks in this district authorized to exercise fiduciary powers. The distribution of these banks by States was as follows: Arkansas, 21; Illinois, 34; Indiana, 25; Kentucky, 27; Mississippi, 4; Missouri, 22; and Tennessee, 3.

**Visits.** — During the year representatives of this bank continued to make periodical calls on the member banks. They also visited the nonmember banks in the cities where member banks are located. However, the number of field men was reduced, and the interval between visits lengthened.



Representatives of this bank also attended meetings of bankers' associations in the Eighth District. In addition, a number of addresses were made to bankers' conventions, commercial organizations, educational institutions, etc.

Approximately 1,600 persons were escorted through the building of the parent bank in St. Louis during the year. These included a number of school classes and organizations. There were also many visitors to the branch offices.

***Publications.***—As in the past, a review of business conditions was prepared each month and furnished to the member banks, business interests cooperating in supplying information, and others interested in receiving it. The mailing list was revised in course of the year so that on December 31 the circulation was approximately 5,000.

During the year a number of requests were received for booklets, "Advantages of Membership in the Federal Reserve System," "Better Banking under the Federal Reserve System," etc., which were promptly supplied by the Library of this bank.

***Foreign Accounts.***—This bank in 1926, as in previous years, participated with the Federal Reserve Bank of New York in investment transactions for the account of central banking institutions in foreign countries.

## INTERNAL ORGANIZATION

***Conferences.***—In March, 1926, the directors of the parent bank visited each branch and conferred with its directors. On June 2 the annual conference of directors and officers of the parent bank with directors of the branches was held in St. Louis. In addition, every other month during the year a meeting was held in St. Louis between officers of the parent bank and an officer from each branch.

***Personnel.***—C. P. J. Mooney, of Memphis, Tennessee, Class C director of this bank, died on November 22, 1926. On November 30, Paul Dillard of Memphis, Tennessee, was appointed by the Federal Reserve Board to fill Mr. Mooney's unexpired term.

The following directors were chosen in December to succeed those whose terms would expire at the end of 1926:

For Parent Bank—John G. Lonsdale, Class A, elected by member banks in Group 1; LeRoy Percy, Class B, elected by mem-

ber banks in Group 3, and John W. Boehne, Class C, appointed by the Federal Reserve Board;

For Louisville Branch—Eugene E. Hoge and W. P. Kincheloe, elected by the parent bank, and William Black appointed by the Federal Reserve Board;

For Memphis Branch—W. H. Glasgow and John D. McDowell, elected by parent bank, and William Orgill, appointed by the Federal Reserve Board;

For Little Rock Branch—A. F. Bailey and Stuart Wilson, elected by the parent bank, and Gordon H. Campbell, appointed by the Federal Reserve Board.

Breckinridge Jones represented this district in the Federal Advisory Council during 1926.

On February 17, 1926, W. H. Glasgow, assistant cashier of the parent bank, was appointed managing director of the Memphis Branch, to succeed V. S. Fuqua, who had resigned, effective March 1, 1926.

E. C. Adams resigned as assistant cashier of the parent bank on April 3, 1926, to become president of a local banking institution. On June 13, 1926, H. L. Trafton, assistant auditor, died.

On December 31, 1926, the parent bank and its branches had a total of 559 officers and employees, of which one was a temporary employee. At the end of the preceding year the personnel numbered 586 officers and employees, of which three were temporary employees.

A roster of the directors and officers of the parent bank and of each branch is given on page 1.

# EARNINGS AND EXPENSES OF FEDERAL RESERVE BANK OF ST. LOUIS (Including Branches).

	1926	1925	1924
<b>EARNINGS</b>			
Discounted bills.....	\$1,258,227	\$ 837,819	\$1,140,622
Purchased bills.....	340,294	451,428	141,778
United States securities.....	841,145	712,085	352,652
Deficient reserve penalties.....	22,017	24,475	27,441
Miscellaneous.....	49,826	26,830	25,650
<b>Total earnings.....</b>	<b>\$2,511,509</b>	<b>\$2,055,637</b>	<b>\$1,688,143</b>
<b>CURRENT EXPENSES</b>			
Salaries:			
Bank officers.....	\$ 166,072	\$ 158,465	\$ 164,320
Clerical staff.....	610,445	657,663	716,421
Special officers and watchmen.....	46,612	40,916	38,289
All other.....	74,072	60,951	41,145
Governors' conferences.....	422	398	472
Federal reserve agents' conferences.....	289	251	379
Federal Advisory Council.....	1,200	1,200	1,200
Directors' meetings.....	11,796	11,781	9,892
Traveling expenses (1).....	31,029	27,498	31,741
Assessments for Federal Reserve Board expenses.....	31,306	32,281	30,213
Legal fees.....	4,013	116	1,221
Insurance (other than on currency and security shipments).....	23,320	21,967	18,178
Insurance on currency and security shipments.....	16,108	16,768	17,311
Taxes on banking house.....	53,870	24,702	2,112
Light, heat and power.....	21,499	15,550	3,182
Repairs and alterations, banking house.....	12,819	10,408	7,562
Rent.....	19,968	49,404	78,849
Office and other supplies.....	21,679	25,233	21,622
Printing and stationery.....	22,922	21,557	30,310
Telephone.....	12,492	9,929	6,454
Celegraph.....	42,095	42,484	43,409
Postage.....	93,529	98,009	118,221
Expressage.....	13,749	14,217	12,328
Miscellaneous expenses.....	30,118	41,600	32,437
<b>Total, exclusive of cost of currency.....</b>	<b>\$1,361,024</b>	<b>\$1,383,348</b>	<b>\$1,427,268</b>
Federal reserve currency, including shipping charges:			
Original cost.....	13,793	704	5,295
Cost of redemption.....	5,287	6,047	8,785
Taxes on Federal Reserve bank-note circulation.....			(4) 812
<b>Total current expenses.....</b>	<b>\$1,380,104</b>	<b>\$1,390,099</b>	<b>\$1,440,536</b>
<b>PROFIT AND LOSS ACCOUNT</b>			
Earnings.....	\$2,511,509	\$2,055,637	\$1,688,143
Current expenses.....	1,380,104	1,390,099	1,440,536
<b>Current net earnings.....</b>	<b>\$1,131,405</b>	<b>\$ 665,538</b>	<b>\$ 247,607</b>
Additions to current net earnings.....	15,852	59,748	15,452
Deductions from current net earnings:			
Bank premises—depreciation.....	\$ 154,795	\$ 489,462	\$ 4,400
Furniture and equipment.....	54,870	257,373	25,927
Reserve for probable losses.....	253,500		
Reserve for self-insurance.....		5,256	
Reserve for depreciation, U. S. bonds.....		66,735	28,795
All other.....	1,070		
<b>Total deductions.....</b>	<b>\$ 464,235</b>	<b>\$ 818,826</b>	<b>\$ 59,122</b>
<b>Net earnings available for dividends, surplus and franchise tax.....</b>	<b>\$ 683,022</b>	<b>(2) \$ 93,540</b>	<b>\$ 203,937</b>
Dividends paid.....	\$ 314,420	\$ 306,753	\$ 304,976
Transferred to surplus account.....	368,602	(3) 400,293	(3) 101,039
Franchise tax paid United States Government.....			
<b>REIMBURSABLE FISCAL AGENCY EXPENSES</b>			
Salaries.....	\$ 11,009	\$ 11,609	\$ 28,348
All other.....	809	2,591	4,531
<b>Total.....</b>	<b>\$ 11,818</b>	<b>\$ 14,200</b>	<b>\$ 32,879</b>

(1) Other than those connected with governors' and agents' conferences and meetings of directors and of the advisory council.

(2) Deficit in earnings before payment of dividends.

(3) Deficit in earnings after payment of dividends, charged to surplus account.

(4) Credit.



# STATEMENT OF CONDITION OF FEDERAL RESERVE BANK OF ST. LOUIS (Including Branches).

	*Dec. 31, 1926	*Dec. 31, 1925	*Dec. 31, 1924
<b>RESOURCES</b>			
Gold with Federal reserve agent.....	\$ 19,509	\$ 15,820	\$ 56,590
Gold redemption fund with United States Treasury..	1,001	930	3,274
Gold held exclusively against Federal Reserve notes.....	20,510	16,750	59,864
Gold settlement fund with Federal Reserve Board.....	33,193	20,398	23,834
Gold and gold certificates held by bank.....	12,728	11,142	8,165
Total gold reserves.....	\$ 66,431	\$ 48,290	\$ 91,863
Reserves other than gold.....	13,647	10,692	11,700
Total reserves.....	80,078	58,982	\$ 103,563
Non-reserve cash.....	4,199	3,395	3,387
Bills discounted:			
Secured by U. S. Government obligations.....	\$ 12,255	\$ 9,508	\$ 5,303
Other bills discounted.....	18,874	13,360	4,827
Total bills discounted.....	\$ 31,129	\$ 22,868	\$ 10,130
Bills bought in open market.....	7,992	22,181	21,391
U. S. Government securities:			
Bonds.....	\$ 2,012	\$ 1,746	\$ 1,264
Treasury notes.....	6,972	14,716	11,171
Certificates of indebtedness.....	12,088	7,885	2,653
Total U. S. Government securities.....	\$ 21,072	\$ 24,347	\$ 15,088
Foreign loans on gold.....		359	294
Total bills and securities.....	\$ 60,193	\$ 69,755	\$ 46,903
Uncollected items.....	\$ 33,419	\$ 39,345	\$ 35,994
Bank premises.....	3,957	4,112	3,176
All other resources.....	805	327	306
Total resources.....	\$182,651	\$175,916	\$193,329
<b>LIABILITIES</b>			
Federal Reserve notes in actual circulation.....	\$ 48,396	\$ 40,305	\$ 57,813
Deposits:			
Member bank—reserve account.....	\$ 82,116	\$ 81,447	\$ 80,511
Government.....	1,000	1,468	2,468
Foreign bank.....	1,211	380	91
Other deposits.....	328	757	580
Total deposits.....	\$ 84,655	\$ 84,052	\$ 83,650
Deferred availability items.....	\$ 33,635	\$ 36,278	\$ 36,377
Capital paid in.....	5,293	5,127	5,129
Surplus.....	9,939	9,570	9,971
All other liabilities.....	733	584	389
Total liabilities.....	\$182,651	\$175,916	\$193,329
Ratio of total reserves to deposit and Federal Reserve note liabilities combined (per cent).....	60.2	47.4	73.2
Contingent liability on bills purchased for foreign correspondents.....	\$ 2,427	\$ 3,235	\$ 2,091

\*In thousands—000 omitted.

## ADDITIONAL EXHIBITS

Other detailed schedules, pertaining to the operations of the Federal Reserve Bank of St. Louis and its member banks, will be found in the annual report of the Federal Reserve Board for 1926.

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# FEDERAL RESERVE BANK OF ST. LOUIS

## DIRECTORS

### CLASS C

WM. McC. MARTIN, Chairman of the Board, St. Louis, Mo.  
JOHN W. BOEHNE, Deputy Chairman, Evansville, Ind.  
PAUL DILLARD, Memphis, Tenn.

### CLASS A

JOHN G. LONSDALE, St. Louis, Mo.  
JOHN C. MARTIN, Salem, Ill.  
MAX B. NAHM, Bowling Green, Mo.

### CLASS B

LE ROY PERCY, Greenville, Miss.  
W. B. PLUNKETT, Little Rock, Ark.  
ROLLA WELLS, St. Louis, Mo.

## OFFICERS

WM. McC. MARTIN,  
Chairman of the Board and  
Federal Reserve Agent.  
C. M. STEWART,  
Asst. Federal Reserve Agent.  
E. J. NOVY,  
General Auditor.  
A. E. DEBRECHT,  
L. A. MOORE,  
Assistant Auditors.

UNIVERSITY OF ILLINOIS

D. C. BIGGS,  
Governor.  
OLIN M. ATTEBERY,  
Deputy Governor.  
J. G. McCONKEY,  
Counsel and Secretary.  
A. H. HAILL,  
J. W. RINKLEFF,  
S. F. GILMORE,  
F. N. HALL,  
C. A. SCHACHT,  
Controllers.

## LOUISVILLE BRANCH

### DIRECTORS

E. L. SWEARINGEN, Chairman, Louisville, Ky.  
WILLIAM BLACK, Louisville, Ky.  
EUGENE E. HOGE, Frankfort, Ky.  
HENRY E. JEWETT, New Albany, Ind.  
W. P. KINCHELOE, Louisville, Ky.  
JOHN T. REYNOLDS, Greenville, Ky.  
E. H. WOODS, Lucas, Ky.

### OFFICERS

W. P. KINCHELOE,  
Managing Director.  
JOHN T. MOORE,  
Cashier.  
EARL R. MUIR,  
Assistant Cashier.

## MEMPHIS BRANCH

### DIRECTORS

T. K. RIDDICK, Chairman, Memphis, Tenn.  
J. W. ALDERSON, Forrest City, Ark.  
E. L. ANDERSON, Dickerson, Miss.  
W. H. GLASGOW, Memphis, Tenn.  
JOHN D. McDOWELL, Memphis, Tenn.  
WILLIAM ORGILL, Memphis, Tenn.  
R. BRINKLEY SNOWDEN, Memphis, Tenn.

### OFFICERS

W. H. GLASGOW,  
Managing Director.  
S. K. BELCHER,  
Cashier.  
C. E. MARTIN,  
Assistant Cashier.

## LITTLE ROCK BRANCH

### DIRECTORS

MOORHEAD WRIGHT, Chairman, Little Rock, Ark.  
A. F. BAILEY, Little Rock, Ark.  
GORDON H. CAMPBELL, Little Rock, Ark.  
JOHN M. DAVIS, Little Rock, Ark.  
W. A. HICKS, Little Rock, Ark.  
HAMP WILLIAMS, Hot Springs, Ark.  
STUART WILSON, Texarkana, Ark.

### OFFICERS

A. F. BAILEY,  
Managing Director.  
M. H. LONG,  
Cashier.  
CLIFFORD WOOD,  
Assistant Cashier.

## MEMBER FEDERAL ADVISORY COUNCIL

WALTER W. SMITH, St. Louis, Mo.

## LETTER OF TRANSMITTAL

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FEDERAL RESERVE BANK OF ST. LOUIS

St. Louis, February 29, 1928.

Gentlemen:

I have the honor to transmit herewith the thirteenth annual report of the Federal Reserve Bank of St. Louis, covering the year ended December 31, 1927.

Respectfully,

WM. McC. MARTIN,

Chairman of the Board and  
Federal Reserve Agent.

FEDERAL RESERVE BOARD,  
Washington, D. C.

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## BUSINESS CONDITIONS

### IN FEDERAL RESERVE DISTRICT No. 8

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**Volume of Business.**—In point of general commercial and industrial activity in the Eighth Federal Reserve District, 1927 compared favorably with the average for the preceding half decade, though falling somewhat below the high record of 1926. While considerable irregularity existed, both with reference to different lines and localities, the usually recognized measures of business made an extremely favorable showing.

Labor was mainly well employed throughout the year and at the high rate wage scales which have obtained since the war. During the final quarter there was an excess of skilled and common laborers in the chief industrial centers, but this was no greater than could be accounted for by seasonal considerations. The strike of bituminous miners created temporary unemployment in the Illinois and Indiana coal fields, which, however, was partly counterbalanced by high operating schedules in other mines of the district.

As a result of virtually full employment and activity in general business, the purchasing power of the public was well maintained. Spending was on a large scale, as indicated by statistics reflecting wholesale and retail trade, car loadings, debits to individual accounts, etc. That the full income of the people of the district was not used up, however, is shown by the amount of savings deposits, which at the end of 1927 was the highest on record. Likewise, accumulation was reflected in accretions to life insurance, building and loan associations and other agencies.

The results indicated were achieved in face of a number of adverse circumstances, notably the unprecedented floods of the Mississippi River and its tributaries, unfavorable weather conditions for agriculture during a considerable part of the year, and devastating tornadoes in several localities.



**Agricultural.**— The total acreage cropped in the Eighth District in 1927 fell slightly below that of the two preceding years, due to floods and unusually late and unfavorable planting season. With but few exceptions short crops were the rule, and quality in a majority of instances was under the five-year average. Extremely poor prospects at the beginning of the autumn were enormously improved by the record breaking warm weather in late September and October, which afforded ideal conditions for maturing and harvesting late crops. These conditions not only saved corn, but favored other late crops, notably cotton, rice, tobacco, potatoes and legumes.

Reduced yields, however, were in large measure offset by higher prices realized by producers, and the economic condition of the farming community as a whole was better at the end of 1927 than in a number of years. Another favorable development in the agricultural situation was in better balance of production, and further progress in the adjustment of prices of farm products and other groups of commodities.

There was further expansion in diversification and rotation of crops, and growth in fruit and truck raising, dairying and production of poultry. Improvement in farm practice showed steady progress, and as a whole the important live stock industry was successful. Farm credit and labor conditions were for the most part satisfactory, and the average of land values was well sustained, with rising tendencies in sections where highways are penetrating.

**Banking.**— As was the case during the two preceding years, 1927 was a period of abundant and cheap money. It was possible for borrowers for all legitimate business enterprises to secure accommodation at reasonable rates. At the end of the year the banking position in this district was strong, particularly with reference to country banks in many sections.

The general trend is reflected in changes in assets and liabilities of the thirty-one weekly reporting member banks at Evansville, Little Rock, Louisville, Memphis and St. Louis. The average of total loans for the fifty-two report dates in 1927 was 3 per cent less than in 1926. Average total investments, however, were 13.7 per cent larger in 1927 than in the preceding year. The average of net demand deposits showed no change between 1926 and 1927, but time deposits averaged 8.2 per cent higher during the past year than in 1926. Accommodations of the reporting banks at the Federal reserve bank during 1927 averaged 34.5 per cent less than in 1926.

## OPERATIONS OF FEDERAL RESERVE BANK OF ST. LOUIS

Including Branches at Little Rock, Louisville and Memphis.

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### FINANCIAL RESULTS

***Income and Expenditures.*** — Gross earnings in 1927 were \$2,228,079, as compared with \$2,511,509 for the preceding year. Current expenses aggregated \$1,368,664, as against \$1,380,104 in 1926.

The current net earnings amounted to \$859,415, as compared with \$1,131,405 the year before. Additions to current net earnings in 1927 aggregated \$152,434, while deductions totaled \$236,168, leaving net profits of \$775,681.

After payment of dividends for the year, totaling \$317,727, the remainder of the net profits, \$457,954, was transferred to surplus.

A detailed comparative statement of earnings and expenses is given on page 15.

***Assets and Liabilities.*** — Between December 31, 1926, and the same date in 1927, total resources of this bank increased from \$182,651,000 to \$197,801,000. Holdings of paper discounted for member banks decreased from \$31,129,000 to \$19,417,000, and bills bought decreased from \$7,992,000 to \$5,046,000, while investments in Government securities increased from \$21,072,000 to \$38,163,000. Cash reserves increased from \$80,078,000 to \$86,350,000.

Of the liabilities, Federal reserve notes in circulation increased from \$48,396,000 to \$56,666,000 and total deposits from \$84,655,000 to \$91,542,000 between the dates mentioned. The paid-in capital increased from \$5,293,000 to \$5,342,000 and the surplus from \$9,939,000 to \$10,397,000.

A comparative statement of condition of this bank appears on page 16.

**Reserve Position.** — At the opening of 1927 the ratio of total reserves to combined deposit and Federal reserve note liabilities stood at 58.0 per cent. On December 31 the ratio was 58.3 per cent.

The daily average ratio for the year was 58.6 per cent as compared with an average of 53.1 during 1926.

## VOLUME OF OPERATIONS

**Discounts.** — Credit accommodation granted to member banks in 1927 was in smaller volume than during the preceding twelve months. A total of \$1,231,388,000 of paper was discounted by this institution, which compares with \$1,504,868,000 in 1926. There was no discounting with or for any other Federal reserve bank in either year.

Applications for discounts numbered 6,196, as against 8,729 for the preceding year. The number of notes discounted was 21,793, which compares with 37,131 in 1926. The number of banks availing themselves of the discount privilege in 1927 was 309, as against 330 during the preceding twelve months.

In 1927 member banks' own fifteen-day collateral notes, secured by United States securities or eligible paper, represented 19 per cent of the number of notes discounted and 84 per cent of the total dollar amount, the remainder being customers' paper rediscounted.

The discount rate of this bank, which was 4 per cent on all classes and maturities of paper throughout 1926, was continued at that figure until August 4, 1927, when it was lowered to 3½ per cent. The latter quotation prevailed through remainder of the year.

**Investments.** — During 1927 this bank purchased for its own account 4,339 acceptances, amounting to \$83,857,000 of which 3,547 representing \$64,352,000, were open market purchases and 792 amounting to \$19,505,000, were bought from other Federal reserve banks. In the preceding year 4,525 acceptances, aggregating \$74,112,000, were purchased.

A total of \$198,831,000 of United States Government securities was purchased in 1927, of which \$173,312,000 were bought in the open market and \$25,519,000 from other Federal reserve banks. During the previous year a total of \$54,498,000 of such securities was purchased.

Most of the acceptances and Government securities acquired were participations in purchases made by the Open Market Investment Committee of the twelve Federal reserve banks.



**Currency.** — In course of the year 112,985,000 pieces of paper currency, amounting to \$495,938,000, were received from all sources and counted by this bank. The year before 108,587,000 pieces of paper currency, representing \$495,792,000, were received and counted.

There were received and counted during the year 145,036,000 coins, amounting to \$16,217,000, against 136,924,000 coins, with aggregate value of \$16,391,000, received and counted in 1926.

**Note Circulation.** — The Federal Reserve Agent issued to the Federal Reserve Bank of St. Louis during the year, new and used Federal reserve notes amounting to \$39,430,000, as compared with \$32,840,000 in 1926. No fit notes were returned by the bank to the Agent. The Treasurer of the United States redeemed \$29,253,000 of unfit notes of this institution in 1927.

On December 31, 1927, the amount of Federal reserve notes outstanding on the books of the Federal Reserve Agent was \$63,681,000. These were secured by \$41,207,000 of gold and \$24,419,000 of eligible paper pledged with him. The parent bank and branches held \$6,784,000 of the notes outstanding, \$231,000 were in transit to Washington for redemption, and \$56,666,000 were in actual circulation.

No Federal reserve bank notes secured by Government obligations were issued by this institution during the year.

**Transit Items.** — The steady growth in the use of collection facilities offered by this bank, noted during preceding years, continued during 1927. The transit department handled 50,240,000 checks, amounting to \$11,487,688,000, which compares with 48,573,000 checks, amounting to \$11,313,215,000, cleared in 1926.

Included in the items handled were checks drawn on banks in this and other districts, checks of member banks against their reserve accounts with this institution, and checks and warrants on the United States Government. Due to the fact that some checks are handled by both the parent bank and branches, a small number of duplications are included in the totals.

During the year 538 individual member banks used the clearing facilities, as compared with 551 in 1926. At the close of 1927 the number of banks which had been granted the privilege of direct routing of checks payable in other Federal reserve districts was 52, against 44 at the end of the preceding year. There were 27 non-member banks maintaining clearing accounts with this bank, which compares with 29 at the close of 1926.

On December 31, 1927, this bank was collecting checks at par on 2,485 banks, which was approximately 85 per cent of all banks in the district.

**Collection Items.** — In course of the year this bank received from its member banks for collection 265,000 non-cash items, involving \$185,727,000, which compares with 241,000, amounting to \$190,362,000, in 1926. These items consisted of notes, drafts, certificates of deposit, bonds, coupons (other than Government), etc.

In addition, this bank received and paid 2,088,000 Government coupons, representing \$20,118,000, as compared with 2,248,000 coupons, aggregating \$22,896,000, the year before.

On December 31, 1927, there were 73 banks which had been granted the privilege of direct routing of non-cash items payable in other Federal reserve districts, as compared with 69 at the end of 1926.

**Transfers of Funds.** — During the year this bank effected a total of 256,000 incoming and outgoing wire and mail transfers of funds, involving \$6,067,437,000, which contrasts with 200,000 transfers, amounting to \$5,320,240,000, in 1926. These transfers were between member banks in this and other districts, as well as between member banks within the district.

In addition, this bank handled 15,000 deposits, aggregating \$26,610,000, for national banks to their 5 per cent redemption funds at Washington. The number of such deposits and their aggregate amount in 1926 were 17,000 and \$27,467,000, respectively.

**Safekeeping.** — In course of the year, the custody department received for safekeeping 80,000 securities, of which 46,000 were from member banks and 34,000 from other departments of this bank. In 1926 there were received a total of 99,000 securities, 42,000 from member banks and 57,000 from other departments of this bank. In addition, securities were held in custody for account of the United States Treasury.

The custody department clipped and accounted for 112,000 coupons from securities held, which compares with 118,000 coupons cut in 1926.

**Fiscal Agency.** — Work in the fiscal agency department during the past year was largely of the same character as in 1926. Its principal functions consisted of sales, deliveries, exchanges and redemptions of United States securities, and receipt and disbursement of Government funds.

Securities handled during 1927, in issuing, redeeming and exchanging Government securities, excluding securities delivered in exchange transactions, totaled 364,000 pieces and represented \$350,507,000, as against 210,000 pieces, representing \$141,938,000, in 1926. This large increase was occasioned by the call on November 15 of the entire Second Liberty Loan.

At the close of 1927 there were 264 banks in the district which had qualified to receive deposits arising from the sale of Government securities, as against 260 at the end of the preceding year. The amount of Government funds in these institutions was \$6,557,000, which compares with \$6,676,000 at the end of 1926. This institution held the collateral pledged as security for the deposits, and performed other duties incident to the deposit and withdrawal of the funds.

On December 31, 1927, deposits of the United States Government in this bank amounted to \$1,062,000, as compared with \$1,000,000 on the corresponding date in 1926.

**Gold Settlement Fund.**—As in previous years, settlement of check clearings between Federal reserve banks, transfers of funds between reserve districts and transfers of funds for the United States Treasury were effected through the gold settlement fund in Washington. These transactions were handled over the private wire system which connects the twelve Federal reserve banks, their branches and the Federal Reserve Board.

The balance to the credit of this bank in the gold settlement fund on December 31, 1927, was \$18,134,000, which compares with \$33,193,000 on the last day of 1926.

## RELATIONS WITH BANKS

**Membership.**—Five banks became members of the Federal Reserve Bank of St. Louis during 1927, all being new national associations.

The memberships of twelve national banks and twelve State institutions were terminated—one national bank and two State banks through voluntary liquidation, ten national banks and six State banks through involuntary liquidation, one national bank through consolidation, one State bank by conversion into a national association, and three State institutions after giving the six months' notice.

On December 31, 1927, this bank had a membership of 599, consisting of 488 national banks and 111 State banks and trust companies.



**Examinations.** — In course of the year Federal reserve examiners of this bank made 71 credit investigations of State member banks and trust companies, all of which were made in conjunction with examinations by the State banking departments. Examinations were made of three banks applying for membership.

Four calls were made by this institution upon State member banks for reports of condition. The dates of these calls were: March 23, June 30, October 10 and December 31. The Comptroller of the Currency called on the national banks for reports of condition as of same dates.

Copies of the periodical reports of condition, semi-annual reports of earnings and dividends, and reports of examinations of the national banks in the district, as well as those of the State member banks, were received and inspected.

**Fiduciary Powers.** — The Federal Reserve Board, under authority of Section 11(k) of the Federal Reserve Act, granted during 1927 permission to ten national banks in the Eighth District to exercise fiduciary powers. The applications of six national banks for supplementary powers were also approved.

At close of the year there were 146 national banks in this district authorized to exercise fiduciary powers. The distribution of these banks by States was as follows: Arkansas, 21; Illinois, 35; Indiana, 28; Kentucky, 31; Mississippi, 4; Missouri, 23, and Tennessee, 4.

**Visits.** — Representatives of this bank, as in preceding years, made periodical calls on member banks in the district. Non-member banks in cities where member banks are located were also visited.

Representatives of this bank also attended meetings of bankers' associations in the district. In addition, a number of addresses were made to bankers' conventions, commercial organizations, educational institutions, etc.

In course of the year, a large number of visitors, including school classes and various organizations, were conducted through the buildings of the parent bank and branches.

**Publications.** — A review of business and financial conditions in the Eighth District was prepared by the statistical department each month and furnished to member banks, business interests co-operating and others interested in receiving it. On December 31,

1927, the circulation was approximately 5,100, representing a small increase over a year earlier.

During the year the bank library complied with a large number of requests for information on the Federal Reserve System and other subjects.

**Foreign Accounts.** — During 1927, as in previous years, this bank participated with the Federal Reserve Bank of New York in investment transactions for account of central banking institutions in foreign countries.

## INTERNAL ORGANIZATION

**Conferences.** — On June 1 the annual conference of directors and officers of the parent bank with directors of the branches was held in St. Louis. Governor D. R. Crissinger and Hon. George R. James, of the Federal Reserve Board, were present at this gathering.

Meetings between the officers of the parent bank and an officer from each branch were held in St. Louis bimonthly during 1927, as in previous years.

**Personnel.** — Atilla Cox resigned as a director of the Louisville Branch on August 25. At its meeting on September 21, the directorate of the parent bank elected John T. Reynolds to fill the unexpired term of Mr. Cox.

J. W. Vanden, a director of the Memphis Branch, died on December 30.

The following directors were chosen in December to succeed those whose terms expired at the end of 1927:

For Parent Bank — Max B. Nahm, Class A, elected by member banks in Group 2; Rolla Wells, Class B, elected by member banks in Group 1, and Wm. McC. Martin, Class C, appointed by Federal Reserve Board;

For Louisville Branch — Henry E. Jewett and W. P. Kincheloe, elected by the parent bank, and E. H. Woods, appointed by the Federal Reserve Board;

For Little Rock Branch — John M. Davis and A. F. Bailey, elected by the parent bank, and Hamp Williams, appointed by the Federal Reserve Board;

For Memphis — R. Brinkley Snowden and W. H. Glasgow, elected by the parent bank, and E. L. Anderson, appointed by the Federal Reserve Board.

Breckinridge Jones represented this district in the Federal Advisory Council during 1927.

J. W. White, cashier of the parent bank, resigned as of September 1, and effective same date the board of directors conferred on Olin M. Attebery, Deputy Governor, the additional title of cashier. On August 3 Charles A. Schacht was elected an assistant cashier of the parent bank.

Pursuant to change in the by-laws, abolishing the offices of cashier and assistant cashier at the parent bank and substituting therefor controllers, the assistant cashiers were designated controllers by the directors on September 21.

On December 31, 1927, the parent bank and its branches had a total of 547 officers and employees, of which 6 were temporary employees. At the end of the preceding year the personnel numbered 559 officers and employees, of which one was a temporary employee.

A roster of the directors and officers of the parent bank and of the branches is given on Page 1.



# EARNINGS AND EXPENSES OF FEDERAL RESERVE BANK OF ST. LOUIS (Including Branches).

	1927	1926
<b>EARNINGS</b>		
Discounted bills.....	\$ 815,951	\$1,258,227
Purchased bills.....	331,302	340,294
United States securities.....	999,656	811,115
Deficient reserve penalties.....	16,189	22,017
Miscellaneous.....	61,981	49,826
<b>Total earnings.....</b>	<b>\$2,228,079</b>	<b>\$2,511,509</b>
<b>CURRENT EXPENSES</b>		
<b>Salaries:</b>		
Bank officers.....	\$ 169,300	\$ 166,072
Clerical staff.....	571,617	610,045
Special officers and watchmen.....	47,959	46,612
All other.....	76,889	74,072
Governors' conferences.....	409	422
Federal reserve agents' conferences.....	434	289
Federal Advisory Council.....	1,200	1,200
Directors' meetings.....	12,822	11,796
Traveling expenses.....	26,969	31,029
Assessments for Federal Reserve Board expenses.....	33,335	31,306
Legal fees.....	479	4,013
Insurance (other than on currency and security shipments).....	22,799	23,320
Insurance on currency and security shipments.....	14,130	16,108
Taxes on banking house.....	55,722	53,870
Light, heat and power.....	21,487	21,499
Repairs and alterations, banking house.....	10,706	12,819
Rent.....	19,474	19,968
Office and other supplies.....	18,019	21,679
Printing and stationery.....	21,079	22,922
Telephone.....	12,292	12,492
Telegraph.....	39,821	42,095
Postage.....	92,056	93,529
Expressage.....	13,852	13,749
Miscellaneous expenses.....	37,130	30,118
<b>Total, exclusive of cost of currency.....</b>	<b>\$1,320,010</b>	<b>\$1,361,024</b>
<b>Federal reserve currency, including shipping charges:</b>		
Original cost.....	44,649	13,793
Cost of redemption.....	4,005	5,287
Taxes on Federal Reserve bank-note circulation.....		
<b>Total current expenses.....</b>	<b>\$1,368,664</b>	<b>\$1,380,104</b>
<b>PROFIT AND LOSS ACCOUNT</b>		
Earnings.....	\$2,228,079	\$2,511,509
Current expenses.....	1,368,664	1,380,104
<b>Current net earnings.....</b>	<b>\$ 859,415</b>	<b>\$1,131,405</b>
<b>Additions to current net earnings.....</b>	<b>\$ 152,434</b>	<b>\$ 15,852</b>
<b>Deductions from current net earnings:</b>		
Bank premises—depreciation.....	\$ 166,745	\$ 154,795
Furniture and equipment.....	28,668	54,870
Reserve for probable losses.....		253,500
Reserve for undetermined liabilities.....	40,000	
Reserve for depreciation, U. S. bonds.....		
All other.....	755	1,070
<b>Total deductions.....</b>	<b>\$ 236,168</b>	<b>\$ 464,235</b>
<b>Net earnings available for dividends, surplus and franchise tax.....</b>	<b>\$ 775,681</b>	<b>\$ 683,022</b>
<b>Dividends paid.....</b>	<b>\$ 317,727</b>	<b>\$ 314,420</b>
Transferred to surplus account.....	457,954	368,602
Franchise tax paid United States Government.....		
<b>REIMBURSABLE FISCAL AGENCY EXPENSES</b>		
Salaries.....	\$ 10,305	\$ 11,009
All other.....	2,811	809
<b>Total.....</b>	<b>\$ 13,116</b>	<b>\$ 11,818</b>

\*Other than those connected with governors' and agents' conferences and meetings of directors and of the advisory council.

# STATEMENT OF CONDITION OF FEDERAL RESERVE BANK OF ST. LOUIS (Including Branches).

	*Dec. 31, 1927	*Dec. 31, 1926
<b>RESOURCES</b>		
Gold with Federal reserve agent.....	\$ 41,207	\$ 19,509
Gold redemption fund with United States Treasury.....	2,220	1,001
Gold held exclusively against Federal Reserve notes.....	43,427	20,510
Gold settlement fund with Federal Reserve Board.....	18,134	33,193
Gold and gold certificates held by bank.....	11,891	12,728
Total gold reserves.....	\$ 73,452	\$ 66,431
Reserves other than gold.....	12,898	13,647
Total reserves.....	86,350	80,078
Non-reserve cash.....	4,252	4,199
Bills discounted:		
Secured by U. S. Government obligations.....	\$ 12,070	\$ 12,255
Other bills discounted.....	7,224	18,874
For Federal Intermediate Credit Banks.....	123	
Total bills discounted.....	\$ 19,417	\$ 31,129
Bills bought in open market.....	5,046	7,992
U. S. Government securities:		
Bonds.....	\$ 18,869	\$ 2,012
Treasury notes.....	7,432	6,972
Certificates of indebtedness.....	11,862	12,088
Total U. S. Government securities.....	\$ 38,163	\$ 21,072
Foreign loans on gold.....		
Total bills and securities.....	\$ 62,626	\$ 60,193
Uncollected items.....	\$ 40,038	\$ 33,419
Bank premises.....	3,791	3,957
All other resources.....	744	805
Total resources.....	\$197,801	\$182,651
<b>LIABILITIES</b>		
Federal Reserve notes in actual circulation.....	\$ 56,666	\$ 48,396
Deposits:		
Member bank—reserve account.....	\$ 89,862	\$ 82,116
Government.....	1,062	1,000
Foreign bank.....	199	1,211
Other deposits.....	419	328
Total deposits.....	\$ 91,542	\$ 84,655
Deferred availability items.....	\$ 33,286	\$ 33,635
Capital paid in.....	5,342	5,293
Surplus.....	10,397	9,939
All other liabilities.....	568	733
Total liabilities.....	\$197,801	\$182,651
Ratio of total reserves to deposit and Federal Reserve note liabilities combined (per cent).....	58.3	60.2
Contingent liability on bills purchased for foreign correspondents	\$ 9,837	\$ 2,427

\*In thousands—000 omitted.

## ADDITIONAL EXHIBITS

Other detailed schedules, pertaining to the operations of the Federal Reserve Bank of St. Louis and its member banks, will be found in the annual report of the Federal Reserve Board for 1927.

FOURTEENTH ANNUAL REPORT  
OF THE  
FEDERAL RESERVE BANK  
OF ST. LOUIS

FOR THE YEAR ENDED DECEMBER 31, 1928

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**FEDERAL RESERVE BANK OF ST. LOUIS**

**DIRECTORS**

**CLASS C**

ROLLA WELLS, Chairman of the Board, St. Louis.  
JOHN W. BOEHNE, Deputy Chairman, Evansville, Ind.  
PAUL DILLARD, Memphis, Tenn.

**CLASS A**

JOHN G. LONSDALE, St. Louis, Mo.  
JOHN C. MARTIN, Salem, Ill.  
MAX B. NAHM, Bowling Green, Ky.

**CLASS B**

J. W. HARRIS, St. Louis, Mo.  
LE ROY PERCY, Greenville, Miss.  
W. B. PLUNKETT, Little Rock, Ark.

**OFFICERS**

ROLLA WELLS,  
Chairman of the Board and  
Federal Reserve Agent.  
C. M. STEWART,  
Asst. Federal Reserve Agent.  
E. J. NOVY,  
General Auditor.  
A. E. DEBRECHT,  
Assistant Auditor.

WM. McC. MARTIN,  
Governor.  
OLIN M. ATTEBERY,  
Deputy Governor.  
J. G. McCONKEY,  
Counsel and Secretary.  
A. H. HALL,  
S. F. GILMORE,  
F. N. HALL,  
C. A. SCHACHT,  
G. O. HOLLOCHER,  
Controllers.

**LOUISVILLE BRANCH**

**DIRECTORS**

WILLIAM BLACK, Chairman Louisville, Ky.  
EUGENE E. HOGE, Frankfort, Ky.  
W. P. KINCHELOE, Louisville, Ky.  
JOHN T. REYNOLDS, Greenville, Ky.  
T. D. SCALES, Boonville, Ind.  
E. L. SWEARINGEN, Louisville, Ky.  
E. H. WOODS, Lucas, Ky.

**OFFICERS**

W. P. KINCHELOE,  
Managing Director.  
JOHN T. MOORE,  
Cashier.  
EARL R. MUIR,  
Assistant Cashier.  
L. A. MOORE,  
Assistant Auditor.

**MEMPHIS BRANCH**

**DIRECTORS**

WILLIAM ORGILL, Chairman, Memphis, Tenn.  
J. W. ALDERSON, Forrest City, Ark.  
E. L. ANDERSON, Dickerson, Miss.  
W. H. GLASGOW, Memphis, Tenn.  
JOHN D. McDOWELL, Memphis, Tenn.  
S. E. RAGLAND, Memphis, Tenn.  
R. BRINKLEY SNOWDEN, Memphis, Tenn.

**OFFICERS**

W. H. GLASGOW,  
Managing Director.  
S. K. BELCHER,  
Cashier.  
C. E. MARTIN,  
Assistant Cashier.

**LITTLE ROCK BRANCH**

**DIRECTORS**

GORDON H. CAMPBELL, Chairman, Little Rock, Ark.  
A. F. BAILEY, Little Rock, Ark.  
JOHN M. DAVIS, Little Rock, Ark.  
JO NICHOL, Pine Bluff, Ark.  
HAMP WILLIAMS, Hot Springs, Ark.  
STUART WILSON, Texarkana, Ark.  
MOORHEAD WRIGHT, Little Rock, Ark.

**OFFICERS**

A. F. BAILEY,  
Managing Director.  
M. H. LONG,  
Cashier.  
CLIFFORD WOOD,  
Assistant Cashier.

**MEMBER FEDERAL ADVISORY COUNCIL**

WALTER W. SMITH, St. Louis, Mo.

MARCH 30, 1929.

## LETTER OF TRANSMITTAL

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FEDERAL RESERVE BANK OF ST. LOUIS

St. Louis, January 19, 1929.

Gentlemen:

I have the honor to transmit herewith the fourteenth annual report of the Federal Reserve Bank of St. Louis, covering the year ended December 31, 1928.

Respectfully,

WM. McC. MARTIN,

*Chairman of the Board and  
Federal Reserve Agent.*

FEDERAL RESERVE BOARD,  
Washington, D. C.

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## BUSINESS CONDITIONS IN FEDERAL RESERVE DISTRICT No. 8

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***Industry and Trade.*** — Taken in its entirety, 1928 constituted a period of quite general prosperity and moderate business expansion in the Eighth Federal Reserve District. In a majority of the principal lines of commerce and industry, the total volume of transactions exceeded that of the preceding year, and in some notable instances the high records of 1926 were equaled or slightly bettered. Production and distribution of goods in the district were measurably higher than during the preceding twelve months.

Following a temporary slowing down in business activities in January and early February, improvement was steady through the year, barring irregularity and slight setbacks in May and July. Despite increasingly keen competition in a number of leading lines, profits arising from the year's activities were in the main on a more satisfactory basis than the average during the preceding half decade.

Activities in the building industry were well sustained, the value of permits issued for new construction in the five largest cities being 13.8 per cent larger than in 1927 and 1.8 per cent larger than in 1926, while contracts for construction projects in the entire district in 1928 exceeded those of the preceding year by 10.8 per cent. However, as during the several years preceding, the bituminous coal mining industry was adversely affected by excessive production and labor troubles, with the result that profits were unsatisfactory. Overproduction in the zinc mining areas was also reflected in low ore prices and reduced returns to operators.

During the year employment conditions were almost uniformly satisfactory. The average number of workers employed in the main industrial centers was unusually high, and road construction, municipal, river and levee improvements absorbed large numbers of common and skilled laborers. Due to high employment levels, and wealth added by a successful year in trade, industry and agriculture, the purchasing power of the public in the district was substantially augmented. This fact was reflected in the record of debits to individual accounts in banks, which each month showed increases over the corresponding period in 1927, while the year's total was 6.1 per cent greater than that of the preceding twelve months.



**Agriculture.** — A review of 1928 crop production in this district discloses considerable variation, both with reference to the several products and different localities. On the whole, however, the year was a successful one for the farming community, with total volume of production and revenue realized thereon exceeding those of the preceding year and the five-year average. At the close of the year the agricultural situation showed marked improvement over that of the two previous seasons.

Due to heavy damage from winter killing, the output of wheat was disappointing, being 25.3 per cent below that of 1927. The hay crop was 20.1 per cent below the bumper yield of 1927, but compared favorably with the average of the past decade. Of the other principal crops, corn was 6.2 per cent larger than in 1927, oats 61.9 per cent larger, tobacco 49.5 per cent larger, potatoes 50.9 per cent larger and cotton 15.4 per cent larger. Other field crops for the most part exceeded in size those of the year before, with yields of fruits and vegetables in the main above the average.

In virtually all parts of the district there was further growth in crop rotation and diversification. Fruit culture and the raising of vegetables for market and manufacture was on a more extensive scale than in previous years. Dairying, particularly in the South, and poultry raising showed remarkable expansion.

**Banking.** — Following similar conditions existing generally through the two preceding years, the early part of 1928 in this district witnessed abundant and cheap money. Heavy demand for credit during the spring for commerce, industry and agriculture, however, resulted in a decrease in available funds, and an increase in interest rates set in which continued more or less constantly through the balance of the year. At the end of the period rates were the highest for the year, if not in more than a half decade. While deviating somewhat from the usual seasonal trends, demand for credit was active throughout the year.

The following changes in assets and liabilities of the 29 weekly reporting member banks in Evansville, Little Rock, Louisville, Memphis and St. Louis indicate the developments. The average of total loans for the fifty two report dates in 1928 was one per cent more than in 1927. Average total investments were 7.4 per cent larger than in the preceding year. The average of net demand deposits in 1928 was 2.4 per cent less than in 1927, but time deposits averaged 3.4 per cent higher. Borrowings of the reporting banks at the Federal Reserve Bank during 1928 averaged 141.7 per cent more than in the year previous. The movement of these items is shown by a chart on page 16.

## OPERATIONS OF FEDERAL RESERVE BANK OF ST. LOUIS

Including Branches at Little Rock, Louisville and Memphis.

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### FINANCIAL RESULTS

**Income and Expenditures.** — In 1928 the gross earnings were \$2,901,925, which compares with \$2,228,079 in the preceding year. Current expenses totaled \$1,336,794, as against \$1,368,664 in 1927.

The net earnings available for dividends, surplus and franchise tax amounted to \$785,159, as compared with \$775,681 in 1927. Out of the net profits, the member banks received \$321,855 in dividends, \$423,011 was transferred to surplus, and \$40,293 paid to the United States Government as a franchise tax.

A detailed comparative statement of earnings and expenses is given on page 17.

**Assets and Liabilities.** — During the period between December 31, 1927, and the same date in 1928, total resources of this bank increased from \$197,801,000 to \$197,896,000. Holdings of paper discounted for member banks increased from \$19,417,000 to \$35,539,000, and purchased bills from \$5,046,000 to \$11,335,000, while investments in Government securities decreased from \$38,163,000 to \$21,043,000. Cash reserves increased from \$86,350,000 to \$93,348,000.

On the liabilities side, Federal reserve notes in circulation increased from \$56,666,000 to \$64,463,000, and total deposits decreased from \$91,542,000 to \$85,554,000 between the dates mentioned. The paid-in capital increased from \$5,342,000 to \$5,408,000, and the surplus from \$10,397,000 to \$10,820,000.

A comparative statement of condition of this bank appears on page 19. The movement of principal asset items is shown by a chart on page 18.

**Reserve Position.** — At the opening of 1928 the ratio of total reserves to combined deposit and Federal reserve note liabilities stood at 58.1 per cent. On December 31 the ratio was 62.2 per cent.

The high point of the year was 68 per cent, attained on July 10, while the low point was 46.6 per cent, recorded on August 22.

## VOLUME OF OPERATIONS

**Discounts.** — A total of \$3,002,246,000 of paper was discounted by the Federal Reserve Bank of St. Louis in 1928 for its member banks, which compares with \$1,231,388,000 in 1927. There was no discounting with or for any other Federal reserve bank in either year.

There were 9,115 applications for discounts, as against 6,196 for the preceding year. Notes discounted numbered 26,902 which compares with 21,793 in 1927. The number of banks using the discount privilege in 1928 was 292, as against 309 in 1927.

In 1928 member banks' own fifteen-day collateral notes, secured by United States securities or eligible paper, constituted 26.3 per cent of the number of notes discounted and 94.3 per cent of the total dollar amount, the remainder being customers' paper rediscounted.

At the opening of the year the discount rate of this bank was  $3\frac{1}{2}$  per cent on all classes and maturities of paper, and remained at that figure until February 21 when an advance to 4 per cent was made. On April 23, the rate was raised to  $4\frac{1}{2}$  per cent, and on July 19 a further advance to 5 per cent became effective, the latter quotation continuing until the close of the period.

**Investments.** — For its own account, this bank purchased during 1928 a total of 2,410 acceptances, amounting to \$37,548,000, of which 2,358, representing \$36,148,000, were open market purchases and 52, amounting to \$1,400,000, were bought from other Federal reserve banks. In the preceding year, 4,339 acceptances, aggregating \$83,857,000, were purchased.

Government securities were also purchased during the year. Most of the acceptances and Government securities were participations in purchases made by the Open Market Investment Committee of the twelve Federal reserve banks.

**Currency.** — In course of the year 116,552,000 pieces of paper money, amounting to \$512,993,000, were received from all sources and counted. This compares with 112,985,000 pieces, with value of \$495,938,000, received and counted in 1927.

There were received and counted during the year 154,633,000 coins amounting to \$16,826,000, as against 145,036,000 coins with aggregate value of \$16,217,000, the year before.

**Note Circulation.** — In 1928 the Federal Reserve Agent issued to the Federal Reserve Bank of St. Louis, Federal reserve notes amounting to \$51,600,000, as compared with \$39,430,000 in 1927. No fit notes were returned by the bank to the Agent. Unfit



notes of this institution redeemed by the Treasurer of the United States in 1928 amounted to \$39,021,000, against \$29,253,000 the year before.

The amount of Federal reserve notes outstanding on the books of the Federal Reserve Agent on December 31, 1928, was \$76,261,000, secured by \$29,986,000 of gold and \$46,821,000 of eligible paper pledged with him. The parent bank and branches held \$10,936,000 of the notes outstanding, \$862,000 were in transit to Washington for redemption and \$64,463,000 were in actual circulation.

**Transit Items.** — Increased use of the collection facilities furnished by this institution was noted in the year just closed. The transit department handled 50,886,000 checks and warrants, amounting to \$11,780,269,000, which compares with 50,240,000 cash items, amounting to \$11,487,688,000, in 1927.

The number of individual member banks using the clearing facilities in 1928, was 537, as compared with 538 in 1927. At the close of the year banks which had been granted the privilege of direct routing of checks payable in other Federal reserve districts numbered 51, a decrease of one as compared with the number at the close of 1927. There were 27 nonmember banks maintaining clearing accounts with this bank, being the same number as at the end of 1927.

On December 31, 1928, this bank was collecting checks at par on 2,349 banks, which was approximately 82.7 per cent of all banks in the district.

**Collection Items.** — During the year this bank received from its member banks for collection 270,000 non-cash items, involving \$208,106,000, which compares with 265,000 items, amounting to \$185,727,000, in 1927. These items consisted of notes, drafts, certificates of deposits, coupons (other than Government), etc.

In addition, 1,703,000 Government coupons, with aggregate value of \$18,754,000, were received and paid, as compared with 2,088,000 such coupons, amounting to \$20,118,000 the year before.

On December 31, 1928, there were 77 banks which had been granted the privilege of direct routing of non-cash items payable in other Federal reserve districts, as against 73 a year earlier.

**Transfers of Funds.** — This bank in 1928 effected a total of 244,000 incoming and outgoing wire and mail transfers of funds, involving \$6,256,564,000, which contrasts with 256,000 transfers in 1927, amounting to \$6,067,437,000. These transfers were between member banks in this and other districts, as well as between member banks within the district.

This institution also handled 17,000 deposits, aggregating \$27,008,000, for national banks to their 5 per cent redemption funds at Washington. The number of such deposits and their aggregate amount in 1927 was 15,000 and \$26,610,000, respectively.

**Safekeeping.** — The custody department in 1928 received for safekeeping 78,000 items, of which 43,000 consisted of securities, notes, etc., from member banks and 35,000 from other departments of this bank. In 1927 there were 80,000 items received, 46,000 from member banks and 34,000 from other departments of this bank. In addition, securities were held in custody for account of the United States Treasury.

The custody department clipped and accounted for 115,000 coupons from securities held, which compares with 112,000 coupons cut in 1927.

**Fiscal Agency.** — The chief functions performed by this bank as fiscal agent of the United States Government consisted of sales, deliveries, exchanges and redemptions of United States securities, and receipt and disbursement of Government funds. Work for the year was augmented by the retirement of the Third Liberty Loan in September.

In issuing, redeeming and exchanging Government securities in 1928, excluding deliveries in exchange transactions, a total of 473,000 pieces was handled, representing \$326,316,000, as against 364,000 pieces, amounting to \$350,507,000 in 1927.

At the close of 1928 there were 146 banks in the district which had qualified to receive deposits arising from the sale of Government securities, as against 264 at the end of the preceding year. The amount of Government funds in these institutions was \$7,205,000, as against \$6,557,000 at the end of 1927. This institution held the collateral pledged as security for deposits and performed other duties incident to the deposit and withdrawal of funds.

The decrease in the number of qualified depositaries was occasioned by the automatic cancellation of the designations of banks whose accounts had been inactive for a period of two years.

On December 31, 1928, deposits of the United States Government in this bank amounted to \$1,118,000, as against \$1,062,000 on the same date in 1927.

**Gold Settlement Fund.** — Settlement of check clearings between Federal reserve banks, transfers of money between the several districts and transfers of funds for the United States Treasury were, as in previous years, effected daily through the instrumentality of the gold settlement fund in Washington. These

transactions were handled over the private wire system which connects the twelve Federal reserve banks, their branches and the Federal Reserve Board.

The excess of receipts from Federal reserve banks and other sources over disbursements resulted in a net increase for this bank of \$14,124,000, leaving a balance of \$32,258,000 to its credit in the fund at the close of business on December 31, 1928.

## RELATIONS WITH BANKS

**Membership.** — During 1928 five new national banking associations and three State institutions became members of the Federal Reserve Bank of St. Louis.

The memberships of seven national banks and seven State institutions were terminated — five national banks and two State banks through voluntary liquidation, one national bank through involuntary liquidation, one national bank and one State bank through consolidation, one State bank by conversion into a national bank and one by conversion into a trust company, and two State banks after giving the six months' notice.

This bank had a membership of 593 on December 31, 1928, consisting of 486 national banks and 107 State banks and trust companies.

**Condition Reports.** — Four calls were made upon State member banks for reports of condition. The dates of these calls were: February 28, June 30, October 3 and December 31. The Comptroller of the Currency called on the national banks for reports of condition as of same dates.

Copies of the periodical reports of condition, semi-annual reports of earnings and dividends, reports of reserve requirements, and reports of examinations of the member banks were received and reviewed.

**Fiduciary Powers.** — Under authority of Section 11 (k) of the Federal Reserve Act, during 1928 the Federal Reserve Board granted permission to five national banks in the Eighth District to exercise fiduciary powers. The applications of two national banks for supplementary fiduciary powers were also approved. Two banks which had previously received such permission went out of existence.

There were 149 national banks in this district authorized to exercise fiduciary powers at close of the year. The distribution of these banks by States was as follows: Arkansas, 19; Illinois, 35; Indiana, 31; Kentucky, 31; Mississippi, 4; Missouri, 25, and Tennessee, 4.



**Visits.** — As in preceding years, representatives of this bank made periodical calls on member banks in the district. Under the schedule each member bank is visited about once a year.

Meetings of the bankers' associations in the district were attended by representatives of this institution, and a number of addresses were made to bankers' associations, commercial organizations, educational institutions, etc.

A large number of visitors, including school classes and other organizations, were conducted through the buildings of the parent bank and branches in the course of the year.

**Publications.** — As in previous years, the statistical division issued each month a review of business, financial and agricultural conditions in the Eighth District. It was mailed to member banks, business concerns cooperating in its compilation, and others desiring to receive it. On December 31, 1928, the circulation was approximately 5,200, representing a slight gain for the year.

The bank library responded to an increased number of requests for information on the Federal Reserve System, banking and kindred subjects.

**Foreign Accounts.** — With the Federal Reserve Bank of New York, this institution in 1928 continued to participate in investment transactions for account of central banks of foreign countries.

## INTERNAL ORGANIZATION

**Conferences.** — The annual conference of directors and officers of the parent bank with directors of the branches was held in St. Louis on May 16. Governor Roy A. Young and Hon. George R. James, of the Federal Reserve Board, were present at this meeting.

Officers of the branches and of the parent bank met for conference at the head office bimonthly during the year. At intervals officers of the parent bank also visited the branches.

**Personnel.** — John W. Alderson, vice-president of the Bank of Eastern Arkansas, Forrest City, Arkansas, was elected a director of the Memphis Branch by the directorate of the parent bank at its meeting on January 18, to fill the unexpired term of J. W. Vanden, who died on December 30, 1927.

J. W. Rinkleff, controller, died on June 4. At its meeting on June 6, the board of directors elected G. O. Hollocher controller, to succeed Mr. Rinkleff.

Henry E. Jewett, director of the Louisville branch, died July 21. At its meeting on October 17, the board of directors elected T. D. Scales, president of the First National Bank of Boonville, Indiana, to succeed Mr. Jewett.

On December 5, D. C. Biggs, who had been a director from November 30, 1915, to February 5, 1919, and Governor since the latter date, submitted a letter to the Board of Directors, stating that he preferred not to be considered for reelection when his term expired.

The following directors were chosen in December to succeed those whose terms expired at the end of 1928:

For Parent Bank — John C. Martin, Class A, elected by member banks in Group 3; W. B. Plunkett, Class B, elected by member banks in Group 2, and Paul Dillard, Class C, appointed by Federal Reserve Board;

For Little Rock Branch — Jo Nichol and A. F. Bailey, elected by the parent bank, and Moorhead Wright, appointed by the Federal Reserve Board;

For Louisville Branch — John T. Reynolds and W. P. Kinche-  
loe, elected by the parent bank, and E. L. Swearingen, appointed by the Federal Reserve Board;

For Memphis Branch — John W. Alderson and W. H. Glasgow, elected by the parent bank, and S. E. Ragland, appointed by the Federal Reserve Board.

On December 31, 1928, the parent bank and its branches had a total of 542 officers and employees, of which 4 were temporary employees. At the end of the preceding year the personnel numbered 547 officers and employees, of which 6 were temporary employees.

A roster of the directors and officers of the parent bank and branches is given on page 3.

## NEW BANK PREMISES

Early in the year the board of directors of the parent bank acquired property at Jefferson avenue and Third street, Memphis, for the erection of a building for the Memphis Branch of this bank. Construction work had made good progress by the end of the period, and it was expected that the building would be ready for occupancy early in the summer of 1929.

## EXHIBITS

As shown by the table of contents, certain exhibits appear on the front pages, in addition to those on the following pages.

# DEPOSITS, LOANS AND INVESTMENTS OF REPORTING MEMBER BANKS

1928

CURVE 1: Deposits.

" 2: Loans Including Bills Rediscounted with Federal Reserve Bank.

" 3: Investments.

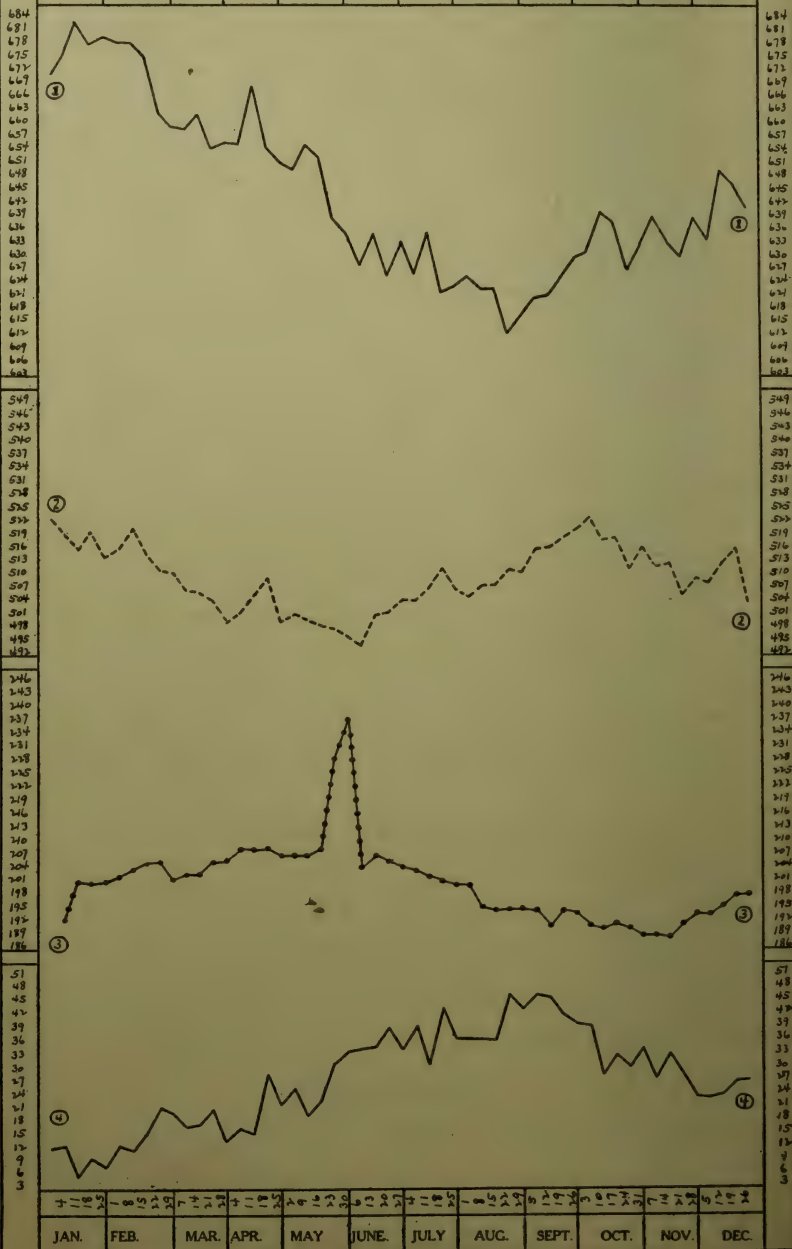
" 4: Borrowings from Federal Reserve Bank.

(AT CLOSE OF BUSINESS EACH WEDNESDAY)

MILLIONS OF DOLLARS

MILLIONS OF DOLLARS

JAN.	FEB.	MAR.	APR.	MAY	JUNE	JULY	AUG.	SEPT.	OCT.	NOV.	DEC.
1 11 18	2 8 15	3 7 14	4 11 18	5 14 21	6 13 20	7 11 18	8 15 22	9 17 24	10 17 24	11 14 21	12 19 26





# EARNINGS AND EXPENSES OF FEDERAL RESERVE BANK OF ST. LOUIS (Including Branches).

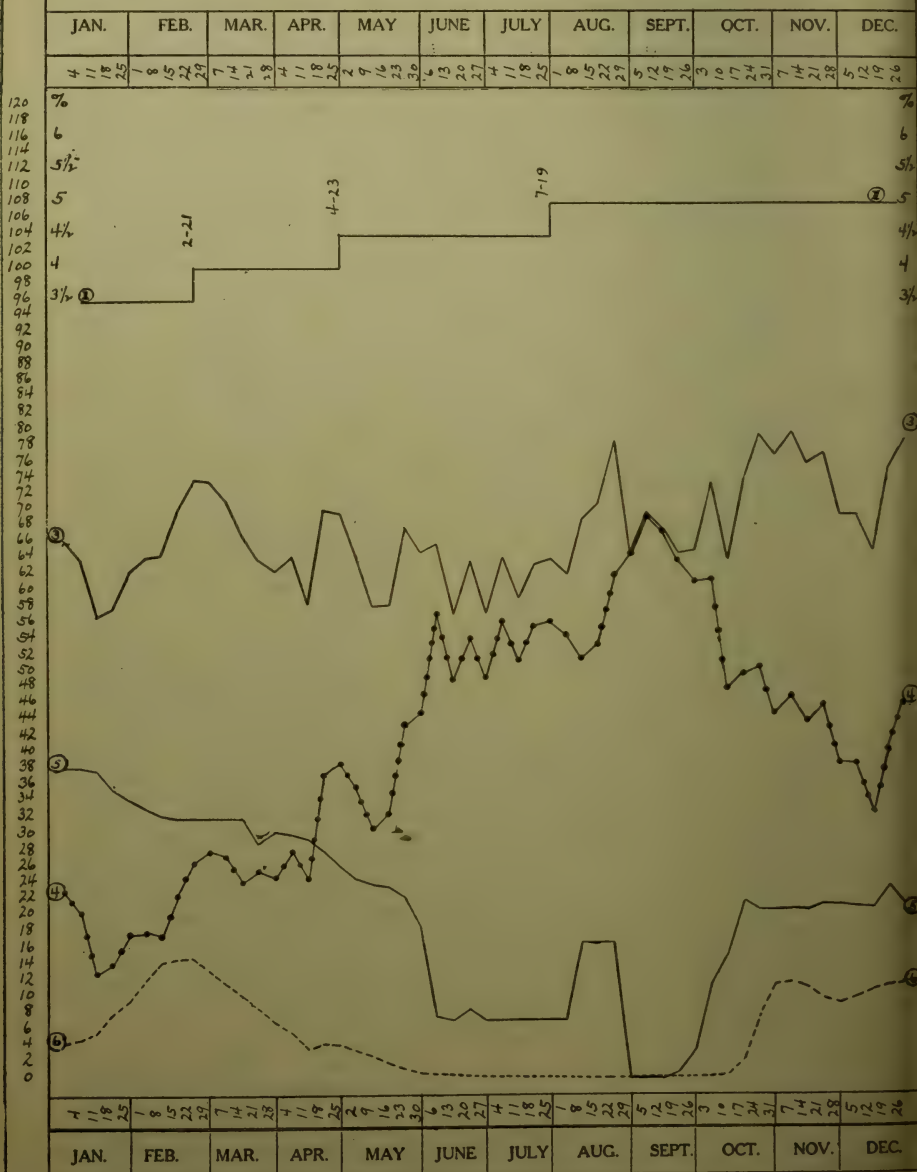
	1928	1927
<b>EARNINGS</b>		
Discounted bills.....	\$1,928,302	\$ 815,951
Purchased bills.....	206,700	331,302
United States securities.....	725,490	999,656
Deficient reserve penalties.....	15,023	16,189
Miscellaneous.....	26,410	64,981
<b>Total earnings.....</b>	<b>\$2,901,925</b>	<b>\$2,228,079</b>
<b>CURRENT EXPENSES</b>		
<b>Salaries:</b>		
Bank officers.....	\$ 168,215	\$ 169,300
Clerical staff.....	558,968	571,647
Special officers and watchmen.....	47,812	47,959
All other.....	83,202	76,889
Governors' conferences.....	400	409
Federal reserve agents' conferences.....	430	434
Federal Advisory Council.....	1,300	1,200
Directors' meetings.....	14,003	12,822
*Traveling expenses.....	21,849	26,969
Assessments for Federal Reserve Board expenses.....	29,622	33,335
Legal fees.....	2,187	479
Insurance (other than on currency and security shipments).....	23,748	22,799
Insurance on currency and security shipments.....	14,132	14,130
Taxes on banking house.....	58,309	55,722
Light, heat and power.....	18,713	21,487
Repairs and alterations, banking house.....	9,363	10,706
Rent.....	19,337	19,474
Office and other supplies.....	20,021	18,019
Printing and stationery.....	27,678	21,079
Telephone.....	12,296	12,292
Telegraph.....	38,818	39,821
Postage.....	90,722	92,056
Expressage.....	13,976	13,852
Miscellaneous expenses.....	37,852	37,130
<b>Total, exclusive of cost of currency.....</b>	<b>\$1,312,953</b>	<b>\$1,320,010</b>
<b>Federal reserve currency, including shipping charges:</b>		
Original cost.....	19,051	44,649
Cost of redemption.....	4,790	4,005
<b>Total current expenses.....</b>	<b>\$1,336,794</b>	<b>\$1,368,664</b>
<b>PROFIT AND LOSS ACCOUNT</b>		
<b>Earnings.....</b>	<b>\$2,901,925</b>	<b>\$2,228,079</b>
<b>Current expenses.....</b>	<b>1,336,794</b>	<b>1,368,664</b>
<b>Current net earnings.....</b>	<b>\$1,565,131</b>	<b>\$ 859,415</b>
<b>Additions to current net earnings.....</b>	<b>\$ 90,022</b>	<b>\$ 152,434</b>
<b>Deductions from current net earnings:</b>		
Bank premises—depreciation.....	\$ 166,745	\$ 166,745
Furniture and equipment.....	51,596	28,668
Reserve for probable losses.....		40,000
Loss on sale of United States securities.....	399,772	
Fund for self insurance.....	250,000	
All other.....	1,881	755
<b>Total deductions.....</b>	<b>\$ 869,994</b>	<b>\$ 236,163</b>
<b>Net earnings available for dividends, surplus and franchise tax.....</b>	<b>\$ 785,159</b>	<b>\$ 775,681</b>
<b>Dividends paid.....</b>	<b>\$ 321,855</b>	<b>\$ 317,727</b>
Transferred to surplus account.....	423,011	457,954
Franchise tax paid United States Government.....	40,293	
<b>REIMBURSABLE FISCAL AGENCY EXPENSES</b>		
<b>Salaries.....</b>	<b>\$ 10,200</b>	<b>\$ 10,305</b>
All other.....	3,581	2,811
<b>Total.....</b>	<b>\$ 13,781</b>	<b>\$ 13,116</b>

\*Other than those connected with governors' and agents' conferences and meetings of directors and of the advisory council.

# DISCOUNTS AND INVESTMENTS OF FEDERAL RESERVE BANK OF ST. LOUIS (INCLUDING BRANCHES) 1928

- CURVE 1: Discount Rate  
 " 2: Total Earning Assets, Including Paper Rediscounted with or Sold to, and Excluding Paper  
       Rediscounted for or Purchased from, Other Federal Reserve Banks  
 — " 3: Total Earning Assets Held  
 —●— " 4: Bills Discounted Held  
 — " 5: United States Securities Held  
 - - - " 6: Bills Bought Held

(AVERAGE FOR EACH WEEK)



# STATEMENT OF CONDITION OF FEDERAL RESERVE BANK OF ST. LOUIS (Including Branches).

	*Dec. 31, 1928	*Dec. 31, 1927
<b>RESOURCES</b>		
Gold with Federal reserve agent.....	\$ 29,986	\$ 41,207
Gold redemption fund with United States Treasury.....	6,723	2,220
Gold held exclusively against Federal Reserve notes.....	\$ 36,709	43,427
Gold settlement fund with Federal Reserve Board.....	32,258	18,134
Gold and gold certificates held by bank.....	8,959	11,891
Total gold reserves.....	\$ 77,926	\$ 73,452
Reserves other than gold.....	15,422	12,898
Total reserves.....	93,348	86,350
Non-reserve cash.....	3,573	4,252
Bills discounted:		
Secured by U. S. Government obligations.....	20,468	\$ 12,070
Other bills discounted.....	15,071	7,224
For Federal Intermediate Credit Banks.....		123
Total bills discounted.....	\$ 35,539	\$ 19,417
Bills bought in open market.....	11,335	5,046
U. S. Government securities:		
Bonds.....	\$ 7,125	\$ 18,869
Treasury notes.....	11,563	7,432
Certificates of indebtedness.....	2,355	11,862
Total U. S. Government securities.....	\$ 21,043	\$ 38,163
Total bills and securities.....	\$ 67,917	\$ 62,626
Due from foreign banks.....	31	21
Uncollected items.....	\$ 28,782	\$ 40,038
Bank premises.....	3,812	3,791
All other resources.....	433	723
Total resources.....	\$197,896	\$197,801
<b>LIABILITIES</b>		
Federal Reserve notes in actual circulation.....	\$ 64,463	\$ 56,666
Deposits:		
Member bank—reserve account.....	\$ 83,560	\$ 89,862
Government.....	1,118	1,062
Foreign bank.....	280	199
Other deposits.....	596	419
Total deposits.....	\$ 85,554	\$ 91,542
Deferred availability items.....	\$ 30,583	\$ 33,286
Capital paid in.....	5,408	5,342
Surplus.....	10,820	10,397
All other liabilities.....	1,068	568
Total liabilities.....	\$197,896	\$197,801
Ratio of total reserves to deposit and Federal Reserve note liabilities combined (per cent).....	62.2	58.3
Contingent liability on bills purchased for foreign correspondents	\$ 13,890	\$ 9,837

\*In thousands—000 omitted.

## NOTE

Statistics pertaining to the Federal Reserve Bank of St. Louis and the member banks will also be found in the annual report of the Federal Reserve Board, Washington, D. C.



THE LIBRARY OF THE  
APR 2 1929  
UNIVERSITY OF ILLINOIS

FIFTEENTH ANNUAL REPORT  
OF THE  
FEDERAL RESERVE BANK  
OF ST. LOUIS

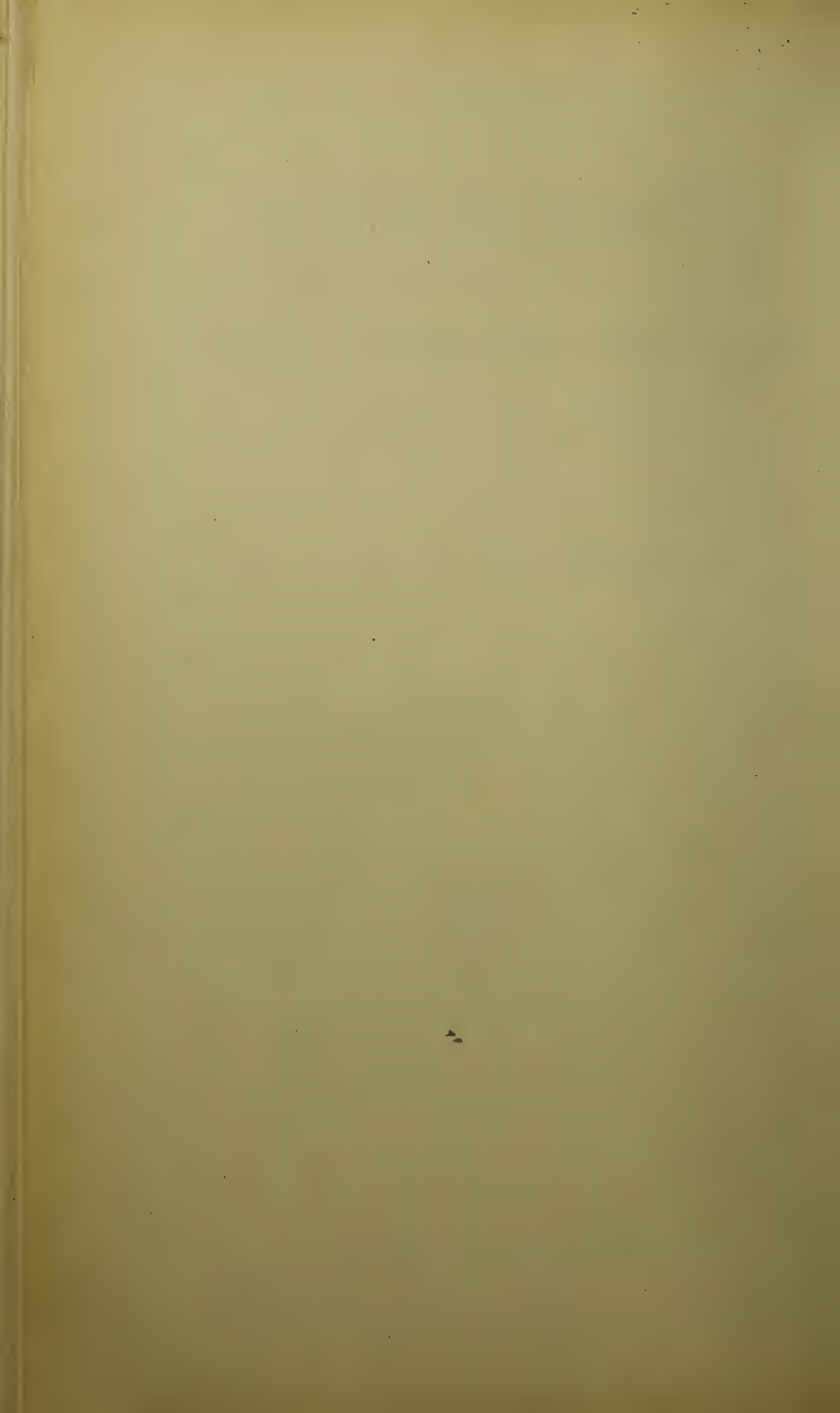
FOR THE YEAR ENDED DECEMBER 31, 1929

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1929

## FEDERAL RESERVE BANK OF ST. LOUIS

### DIRECTORS

#### CLASS C

ROLLA WELLS, Chairman of the Board, St. Louis, Mo.  
JOHN W. BOEHNE, Deputy Chairman, Evansville, Ind.  
PAUL DILLARD, Memphis, Tenn.

#### CLASS A

JOHN G. LONSDALE, St. Louis, Mo.  
JOHN C. MARTIN, Salem, Ill.  
MAX B. NAHM, Bowling Green, Ky.

#### CLASS B

J. W. HARRIS, St. Louis, Mo.  
W. B. PLUNKETT, Little Rock, Ark.  
M. P. STURDIVANT, Glendora, Miss.

### OFFICERS

ROLLA WELLS,  
Chairman of the Board and  
Federal Reserve Agent.  
C. M. STEWART,  
Asst. Federal Reserve Agent.  
E. J. NOVY,  
General Auditor.  
A. E. DEBRECHT,  
Assistant Auditor.

WM. McC. MARTIN,  
Governor.  
OLIN M. ATTEBERY,  
Deputy Governor.  
J. G. McCONKEY,  
Counsel and Secretary.  
A. H. HALL,  
S. F. GILMORE,  
F. N. HALL,  
C. A. SCHACHT,  
G. O. HOLLOCHER,  
Controllers.

### LOUISVILLE BRANCH

#### DIRECTORS

E. H. WOODS, Chairman, Lucas, Ky.  
WILLIAM BLACK, Louisville, Ky.  
EUGENE E. HOGE, Frankfort, Ky.  
W. P. KINCHELOE, Louisville, Ky.  
JOHN T. REYNOLDS, Greenville, Ky.  
T. D. SCALES, Boonville, Ind.  
E. L. SWEARINGEN, Louisville, Ky.

#### OFFICERS

W. P. KINCHELOE,  
Managing Director.  
JOHN T. MOORE,  
Cashier.  
EARL R. MUIR,  
Assistant Cashier.  
L. A. MOORE,  
Assistant Auditor.

### MEMPHIS BRANCH

#### DIRECTORS

E. L. ANDERSON, Chairman, Dickerson, Miss.  
J. W. ALDERSON, Forrest City, Ark.  
W. H. GLASGOW, Memphis, Tenn.  
WILLIAM ORGILL, Memphis, Tenn.  
S. E. RAGLAND, Memphis, Tenn.  
R. BRINKLEY SNOWDEN, Memphis, Tenn.  
J. M. TARRANT, Dyersburg, Tenn.

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S. K. BELCHER,  
Cashier.  
C. E. MARTIN,  
Assistant Cashier.

### LITTLE ROCK BRANCH

#### DIRECTORS

HAMP WILLIAMS, Chairman, Hot Springs, Ark.  
A. F. BAILEY, Little Rock, Ark.  
GORDON H. CAMPBELL, Little Rock, Ark.  
JOHN M. DAVIS, Little Rock, Ark.  
JO NICHOL, Pine Bluff, Ark.  
STUART WILSON, Texarkana, Ark.  
MOORHEAD WRIGHT, Little Rock, Ark.

#### OFFICERS

A. F. BAILEY,  
Managing Director.  
M. H. LONG,  
Cashier.  
CLIFFORD WOOD,  
Assistant Cashier.

### MEMBER FEDERAL ADVISORY COUNCIL

WALTER W. SMITH, St. Louis, Mo.

MARCH 1, 1930.

## LETTER OF TRANSMITTAL

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FEDERAL RESERVE BANK OF ST. LOUIS

St. Louis, February 10, 1930.

Gentlemen :

I have the honor to transmit herewith the fifteenth annual report of the Federal Reserve Bank of St. Louis, covering the year ended December 31, 1929.

Respectfully,

ROLLA WELLS,

*Chairman of the Board and  
Federal Reserve Agent.*

FEDERAL RESERVE BOARD,  
Washington, D. C.

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## BUSINESS CONDITIONS IN FEDERAL RESERVE DISTRICT No. 8

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***Industry and Trade.***—Despite recessionary tendencies which appeared during its final quarter, 1929 proved to be a year of achievement for commerce and industry in the Eighth Federal Reserve District. Production and distribution of merchandise was on a large scale and in certain important classifications, exceeded the volume of any previous year. These results were attributable in large measure to the initiation of new enterprise, enlarged productive capacity, and well sustained demand accompanied by mainly favorable marketing conditions. Purchasing power of the public was strengthened by the high rate of employment which existed with little interruption throughout the period, also, by betterment in the economic status of the farming community resulting from generally successful agricultural operations. Taken as a whole, profits arising from the year's business were commensurate with the effort and capital expended, though in this respect divergencies were noted, not all industries sharing equally in distribution of gains.

Metal working trades and allied industries, which in recent years have been an increasingly important factor in the business and industry of this district, experienced a successful year. Combined output of basic and subsidiary materials in this classification in 1929 was the largest on record. New high records were also established by the boot and shoe, electrical supply and drugs and chemicals industries. The total volume of business done in 1929 by all wholesale and manufacturing lines investigated by this bank was larger by 2.0 per cent than in 1928, and by 0.02 per cent than in 1927. Due to the marked decrease in construction activities, particularly during the last half of the year, manufacturers and distributors of building materials, including cement, lumber and fire clay products, sustained losses in volume of business as compared with the average of the preceding half decade. The value of building permits issued in the five largest cities in 1929 was 38.4 per cent smaller than in 1928 and 29.9 per cent less than in 1927. The value of construction contracts let in the entire district was 9.2 per cent less than in the preceding year, but 0.6 per cent larger than the 1927 total.

**Agriculture.**—Aggregate acreage of the chief products cropped in states of the Eighth District in 1929 was approximately .07 per cent larger than in 1928, and showed only slight variation from the average of the preceding five years. Farm income for these states, exclusive of live stock, dairy and poultry products sold, was, on the basis of the latest information available, about 4.5 per cent greater than in 1928. Taken as a whole, field crops were somewhat better than in 1928, both in point of yield and quality, but this advantage was partly offset by low prices obtaining during a considerable part of the marketing season.

Truck farming, fruit culture, dairying and poultry raising, which had gained impetus during the preceding several years, was extended further in many sections in 1929. In Mississippi and Arkansas, and generally through the south, the **dairying industry** made notable strides. Crop rotation and local production of feed crops were practiced to a greater degree than in previous years. Farm real estate values developed slight improvement, most marked in sections penetrated by surfaced highways.

**Banking.**—The large volume of business in the Eighth District in 1929, coupled with unprecedented activity in the security markets of the country, was reflected in heavy demand for bank credit throughout virtually the entire year. However, at all times during the year, there were ample funds to take care of legitimate business requirements, though the cost of credit to users was measurably higher than the average during the preceding half decade. Following the high levels attained at the end of 1928, the trend of interest rates was upward during 1929, the peak being reached in October. From that point there was a recession continuing until the close of the year, at which time rates were approximately the same as in December, 1928. The discount rate of this bank remained uniformly at 5 per cent throughout the year.

Developments during the year are indicated by the movement of assets and liabilities of the 25 weekly reporting member banks in Evansville, Little Rock, Louisville, Memphis and St. Louis, the total resources of which represent 53.1 per cent of all the resources of member banks in the district. The average of total loans for the fifty-three report dates in 1929 was 1.4 per cent larger than in 1928. Average total investments were 13.5 per cent smaller than in the preceding year. The average of net demand deposits in 1929 was 4.3 per cent less than in 1928, and time deposits averaged 5.1 per cent lower. Borrowings of the reporting banks at the reserve bank during 1929 averaged 14.1 per cent more than in the preceding year. Changes in these items is illustrated by the chart on page 16.



# OPERATIONS OF FEDERAL RESERVE BANK OF ST. LOUIS

Including Branches at Little Rock, Louisville and Memphis.

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## FINANCIAL RESULTS

***Income and Expenditures.*** — Gross earnings in 1929 were \$3,247,936, as compared with \$2,901,925 for the preceding year. Current expenses aggregated \$1,438,417, as against \$1,336,794 in 1928.

Total net earnings available for dividends, surplus and franchise tax were \$885,884, as compared with \$785,159 in 1928. After paying \$319,231 in dividends and transferring \$56,665 to surplus account, the balance of the net profits, \$509,988, was paid to the United States Government as a franchise tax.

A detailed comparative statement of earnings and expenses is given on page 17.

***Assets and Liabilities.*** — Total resources increased markedly during the year, this item on December 31, 1929 being \$228,276,000, as against \$197,896,000 on the same date in 1928. Holdings of paper discounted for member banks decreased from \$35,539,000 to \$17,938,000, and bills bought in the open market from \$11,335,000 to \$9,801,000 between the dates mentioned, but investments in Government securities increased from \$21,043,000 to \$29,266,000, and total cash reserves from \$93,348,000 to \$125,463,000.

In the liabilities column, an increase from \$64,463,000 to \$94,744,000 in Federal reserve notes in circulation was shown, while total deposits decreased from \$85,554,000 to \$81,495,000. The paid-in capital decreased from \$5,408,000 to \$5,268,000 and the surplus increased from \$10,820,000 to \$10,877,000.

A comparative statement of condition of this bank appears on page 19. The movement of principal asset items is shown by a chart on page 18.

***Reserve Position.*** — The ratio of total reserves to combined deposit and Federal reserve note liabilities at the opening of 1929 stood at 59.9 per cent. On December 31, the ratio was 71.2 per cent.

The high point of the year, 76.1 per cent, was recorded on October 8, while the low point, 42.7 per cent, was reached on April 1.

## VOLUME OF OPERATIONS

**Discounts.**—The Federal Reserve Bank of St. Louis in 1929 discounted for its member banks a total of \$3,370,048,000 of paper, the largest amount in recent years and comparing with \$3,002,246,000 in 1928.

Applications for discounts numbered 11,629, and notes discounted, 34,642, which compares with 9,115 and 26,902, respectively, in 1928. Member banks' own collateral paper, secured by United States securities or eligible paper, represented 26.3 per cent of the number and 94.7 per cent of the face value of notes discounted, the balance being customers' paper rediscounted:

**Investments.**—This bank in 1929 purchased for its own account a total of 1,624 acceptances, amounting to \$26,746,000, of which 1,585, with aggregate face value of \$25,745,000 were open market purchases, and 39, amounting to \$1,000,000, were bought from other Federal reserve banks. During the preceding year, 2,410 acceptances, amounting to \$37,548,000 were purchased.

The major portion of acceptances and Government securities acquired were participations in purchases made by the Open Market Investment Committee of the twelve Federal reserve banks.

**Currency.**—Due to an active demand for currency which extended virtually through the entire year, and to the change in size of paper money effective in July, operations in this department were in considerably larger volume than in the past.

In 1929 this bank received from all sources and counted 121,002,000 pieces of paper money having an aggregate face value of \$517,441,000. This compares with 116,552,000 pieces, with value of \$512,993,000, received and counted in 1928.

Coins numbering 149,168,000, with value of \$15,742,000, were received, and counted in 1929, as against 154,633,000 coins, amounting to \$16,826,000, the preceding year.

**Note Circulation.**—The Federal Reserve Agent issued to the Federal Reserve Bank of St. Louis in 1929, \$106,760,000 Federal reserves notes as compared with \$51,600,000 in 1928. Of these, \$85,120,000 were the new, reduced size currency. No fit notes were returned by the bank to the Agent. Unfit notes of this institution redeemed by the Treasurer of the United States in 1929 amounted to \$64,240,000, against \$39,021,000 the previous year.

Federal reserve notes outstanding on the books of the Federal Reserve Agent on December 31, 1929, amounted to \$111,580,000, of which \$83,045,000 were of the new series. These outstanding notes

were secured by \$84,630,000 of gold and \$27,599,000 eligible paper pledged with the Agent. The parent bank and branches held \$16,285,000 of the notes outstanding, \$551,000 were in transit to Washington for redemption, and \$94,744,000 were in actual circulation.

**Transit Items.** — The steady expansion in use of the collection service rendered by this bank, noted in previous years, continued during 1929. The transit department handled 51,131,000 checks and warrants, amounting to \$15,603,479,000, which compares with 50,886,000 cash items, amounting to \$11,780,269,000, in 1928.

There was little change in the number of individual member banks availing themselves of the clearing facilities, the total in 1929 being 534, as against 537 in 1928. Due principally to consolidations, the number of financial institutions which had been accorded the privilege of direct routing of checks payable in other Federal reserve districts, decreased in 1929, the total at the termination of the period being 39, as against 51 at the end of 1928. There were 17 nonmember banks maintaining clearing accounts with the Federal reserve bank when the year closed, a decrease of 10 from the preceding year.

On December 31, 1929, this bank was collecting checks at par on 2,242 banks, which was approximately 82.0 per cent of all banks in the district.

**Collection Items.** — A total of 265,000 noncash collection items, with an aggregate value of \$218,138,000 was handled by this bank in 1929, as against 270,000 items totaling \$208,106,000 in 1928. These items consisted of notes, drafts, certificates, coupons (other than Government), etc.

An aggregate of 1,218,000 Government coupons, having a total value of \$19,261,000, were received and cashed, as compared with 1,703,000 coupons, amounting to \$18,754,000, the year before.

On December 31, 1929, there were 74 banks which had been granted the privilege of direct routing noncash items payable in other Federal reserve districts, as compared with 77 on the same date a year earlier.

**Transfer of Funds.** — In 1929 this bank handled a total of 248,000 incoming and outgoing wire and mail transfers of funds, amounting to \$6,371,555,000, which compares with 244,000 transfers, involving \$6,256,564,000, during the preceding twelve months. The transfers were between member banks in this and other districts, as well as between member banks within the district.



The number of deposits for national banks to their 5 per cent redemption funds at Washington in 1929 was 17,000 and their aggregate amount \$34,543,000, against 17,000 and \$27,008,000, respectively, in 1928.

**Safekeeping.**—During the course of the year the custody department took over 69,000 items for safekeeping, consisting of 32,000 notes, securities, etc. from outside sources, and 37,000 from other departments of this bank. In 1928 there were 78,000 items received, 43,000 from outside and 35,000 from other departments of the bank. Securities were also held for account of the United States Treasury.

The custody department clipped and accounted for 111,000 coupons, as against 115,000 coupons cut in 1928.

**Fiscal Agency.**—Work performed by the fiscal agency department during the year consisted principally of issues, redemptions and exchanges of United States securities, and receipt and disbursement of Government funds.

In the issue, redemption and exchange of Government securities in 1929, excluding deliveries on exchange transactions, a total of 120,000 pieces was handled, representing \$266,897,000, which compared with 473,000 pieces, amounting to \$326,316,000, in 1928.

At the close of the year there were 146 banks in the district which had qualified to receive deposits arising from the sale of Government securities, the same number as at the end of 1928. On December 31, 1929, there were on deposit in these institutions \$1,363,000 of Government funds, as against \$7,205,000 on the same date a year earlier. This bank had custody of collateral pledged as security for deposits and performed other duties in connection with deposit and withdrawal of funds.

Government deposits in the Federal reserve bank on December 31, 1929, were \$1,197,000, as against \$1,118,000 at the close of the preceding year.

**Gold Settlement Fund** —As in previous years, the gold settlement fund in Washington proved an efficient and expeditious medium for the settlement of check clearings between the Federal reserve banks, transfers of funds between reserve districts, and transfers of funds for the United States Treasury.

Receipts in 1929 from Federal reserve banks and other sources were \$11,238,000 smaller than disbursements, resulting in a balance of \$21,021,000 to the credit of this bank in the fund at the close of business on the last day of the year.

## RELATIONS WITH BANKS

**Memberships.**— While 9 new national banks and 8 State institutions became members of the Federal Reserve Bank of St. Louis in 1929, the memberships of 21 national banks and 10 State banks were terminated.

Of the memberships terminated 17 national banks and 3 State banks were through voluntary liquidation, three national banks through involuntary liquidation, one national and two State banks through consolidation, one State bank by conversion into a trust company, and four State banks after giving the six months' notice.

On December 31, 1929, this bank had a total membership of 579, of which 474 were national banks and 105 State banks and trust companies.

**Condition Reports.**— In course of the year, this institution made four calls upon State member banks and trust companies for reports of condition. The dates of these calls, which were coincident with similar calls made on the national banks by the Comptroller of the Currency, were: March 27, June 29, October 4 and December 31.

There were received and reviewed copies of the periodical reports of condition, semi-annual reports of earnings and dividends, reports of reserve requirements, and reports of examinations of member banks.

**Fiduciary Powers.**— During 1929, the Federal Reserve Board granted permission to thirteen national banks in the Eighth District to exercise fiduciary powers, under authority of Section 11(k) of the Federal Reserve Act. The application of one national bank for supplementary fiduciary powers was also approved.

**Visits.**— Periodical calls were made by the bank relations force on member banks throughout the district. Calls were also made on nonmember banks in communities where member banks are located.

As in past years, representatives of this institution attended conventions and group meetings of the several bankers' associations in the district. Officers of the bank responded to requests to address such gatherings, also commercial bodies, educational institutions, etc.

During the year a large number of visitors were shown through the buildings of the parent bank and branches, including school classes and organizations of various descriptions.

**Publications.**—As in previous years, twelve monthly reviews of financial, trade, agricultural and industrial conditions in the Eighth District were prepared, published, and distributed.

The average monthly circulation of the review in 1929 was 5,250, representing a small increase over 1928.

**Foreign Accounts.**—Cooperating with the Federal Reserve Bank of New York, this institution participated in certain investment transactions for account of central banks in foreign countries.

## INTERNAL ORGANIZATION

**Conferences.**—Regular bimonthly conferences were held at the head office between officers of the parent bank and branches.

On June 5 the annual conference of directors and officers of the parent bank with the directors of the branches was held in St. Louis. Hon. George R. James, of the Federal Reserve Board, attended this meeting.

**Personnel.**—At its meeting on January 16 the Board of Directors elected William McC. Martin as Governor, to succeed David C. Biggs.

On January 23, Rolla Wells resigned as Class B director, to accept appointment by the Federal Reserve Board as Class C director, Federal Reserve Agent and Chairman of the Board.

The following directors were selected to succeed those whose terms expired at the end of 1929:

For Parent Bank — John G. Lonsdale, Class A, elected by member banks in Group 1; Leroy Percy, Class B, elected by member banks in Group 3, and John W. Boehne, Class C, appointed by the Federal Reserve Board.

For Little Rock Branch — Stuart Wilson and A. F. Bailey, elected by the parent bank, and Gordon Campbell, appointed by the Federal Reserve Board.

For Louisville Branch — Eugene E. Hoge and W. P. Kincheloe, elected by the parent bank, and William Black, appointed by the Federal Reserve Board.

For Memphis Branch — J. M. Tarrant and W. H. Glasgow, elected by the parent bank, and William Orgill, appointed by the Federal Reserve Board.



Leroy Percy, Class B director, who had served continuously on the Board of this bank since its organization, died on December 24.

On December 31, 1929, the parent bank and its branches had a total of 533 officers and employees, of which one was a temporary employee. At the end of the preceding year the personnel numbered 542 officers and employees, of which 4 were temporary employees.

A roster of officers and directors of the parent bank and branches is given on page 3.

### EXHIBITS

As shown by the table of contents, financial exhibits are given on the following pages, while others appear at the front.

# DEPOSITS, LOANS, ETC. OF REPORTING MEMBER BANKS

In St. Louis, Louisville, Memphis, Little Rock and Evansville.

- 1929
- CURVE 1: Deposits.  
 " 2: Loans Including Bills Rediscounted with Federal Reserve Bank.  
 " 3: Investments.  
 " 4: Borrowings from Federal Reserve Bank.  
 (AT CLOSE OF BUSINESS EACH WEDNESDAY)



# EARNINGS AND EXPENSES OF FEDERAL RESERVE BANK OF ST. LOUIS (Including Branches).

	1929	1928
<b>EARNINGS</b>		
Discounted bills.....	\$2,508,183	\$1,928,302
Purchased bills.....	153,655	206,700
United States securities.....	539,675	725,490
Deficient reserve penalties.....	22,740	15,023
Miscellaneous.....	23,683	26,410
Total earnings.....	\$3,247,936	\$2,901,925
<b>CURRENT EXPENSES</b>		
Salaries:		
Bank officers.....	\$ 170,402	\$ 168,215
Clerical staff.....	556,708	558,968
Special officers and watchmen.....	48,187	47,812
All other.....	84,961	83,202
Governors' conferences.....	401	400
Federal reserve agents' conferences.....	273	430
Federal Advisory Council.....	1,300	1,300
Directors' meetings.....	12,095	14,003
*Traveling expenses.....	18,287	21,849
Assessments for Federal Reserve Board expenses.....	30,951	29,622
Legal fees.....	837	2,187
Insurance (other than on currency and security shipments).....	24,327	23,748
Insurance on currency and security shipments.....	15,159	14,132
Taxes on banking house.....	59,824	58,309
Light, heat and power.....	22,779	18,713
Repairs and alterations, banking house.....	10,090	9,363
Rent.....	17,996	19,337
Office and other supplies.....	20,966	20,021
Printing and Stationery.....	20,822	27,678
Telephone.....	12,591	12,296
Telegraph.....	40,185	38,818
Postage.....	96,283	90,722
Expressage.....	16,000	13,976
Miscellaneous expenses.....	36,929	37,852
Total, exclusive of cost of currency.....	\$1,318,353	\$1,312,953
Federal reserve currency, including shipping charges:		
Original cost.....	115,775	19,051
Cost of redemption.....	4,289	4,790
Total current expenses.....	\$1,438,417	\$1,336,794
<b>PROFIT AND LOSS ACCOUNT</b>		
Earnings.....	\$3,247,936	\$2,901,925
Current expenses.....	1,438,417	1,336,794
Current net earnings.....	\$1,809,519	\$1,565,131
Additions to current net earnings.....	\$ 100,769	90,022
Deductions from current net earnings:		
Bank premises—depreciation.....	\$ 190,022	\$ 166,745
Furniture and equipment.....	98,175	51,596
Reserve for probable losses.....	155,000	.....
Loss on sale of United States securities.....	322,297	399,772
Fund for self insurance.....	250,000	250,000
All other.....	8,910	1,881
Total deductions.....	\$1,024,404	\$ 869,994
Net earnings available for dividends, surplus and franchise tax	\$ 885,884	\$ 785,159
Dividends paid.....	\$ 319,231	\$ 321,855
Transferred to surplus account.....	56,665	423,011
Franchise tax paid United States Government.....	509,988	40,293
<b>REIMBURSABLE FISCAL AGENCY EXPENSES</b>		
Salaries.....	\$ 10,248	\$ 10,200
All other.....	2,498	3,581
Total.....	\$ 12,746	\$ 13,781

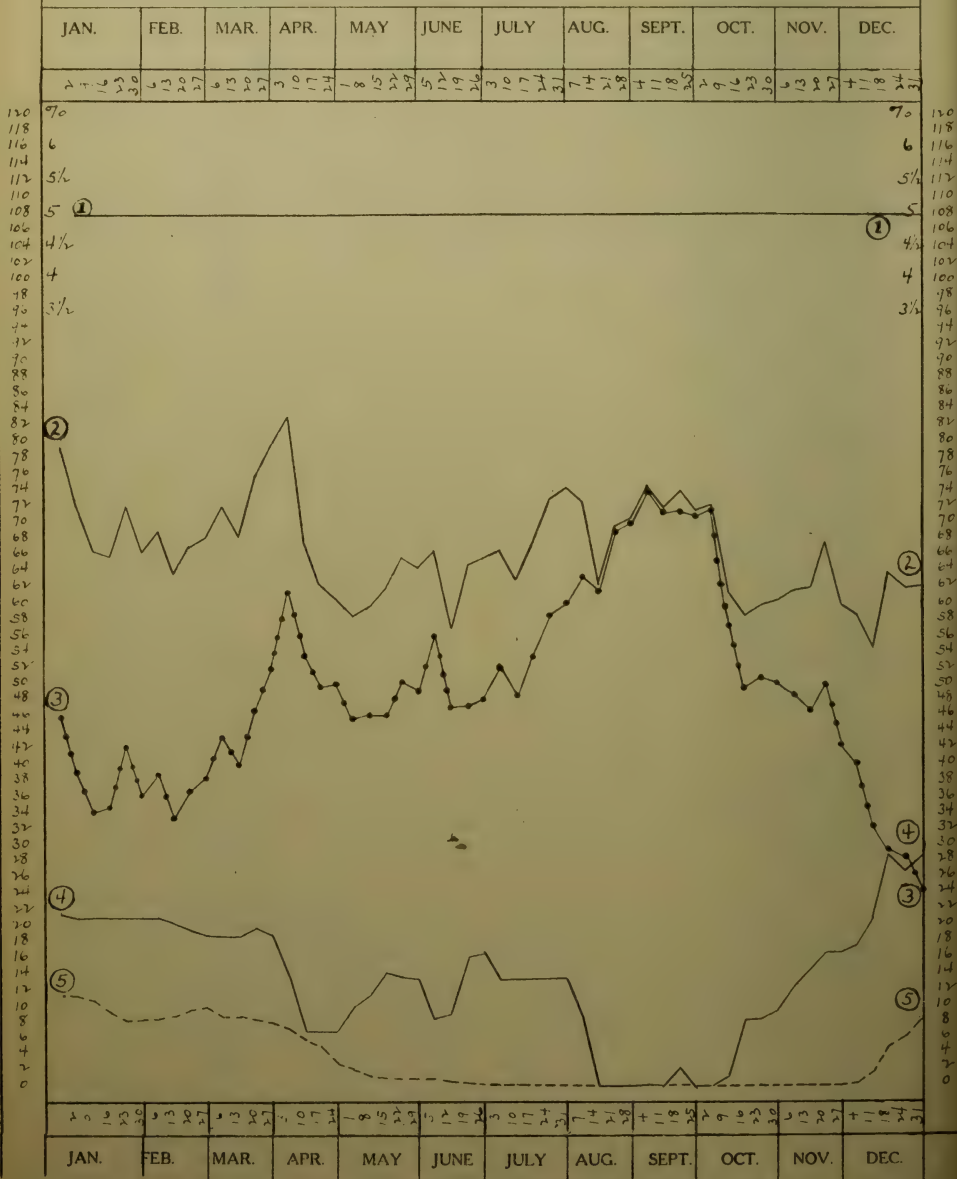
\*Other than those connected with governors' and agents' conferences and meetings of directors and of the advisory council.



# DISCOUNTS AND INVESTMENTS OF FEDERAL RESERVE BANK OF ST. LOUIS (INCLUDING BRANCHES) 1929

CURVE 1: Discount Rate  
 " 2: Total Earning Assets Held  
 " 3: Bills Discounted Held  
 " 4: United States Securities Held  
 " 5: Bills Bought Held

(AVERAGE FOR EACH WEEK)



# STATEMENT OF CONDITION OF FEDERAL RESERVE BANK OF ST. LOUIS (Including Branches).

	*Dec. 31, 1929	*Dec. 31, 1928
<b>RESOURCES</b>		
Gold with Federal reserve agent.....	\$ 84,630	\$ 29,986
Gold redemption fund with United States Treasury.....	5,734	6,723
Gold held exclusively against Federal reserve notes.....	\$ 90,364	\$ 36,709
Gold settlement fund with Federal Reserve Board.....	21,021	32,258
Gold and gold certificates held by bank.....	5,497	8,959
Total gold reserves.....	\$116,882	\$ 77,926
Reserves other than gold.....	8,581	15,422
Total reserves.....	\$125,463	93,348
Non-reserve cash.....	6,531	3,573
Bills discounted:		
Secured by U. S. Government obligations.....	\$ 12,555	20,468
Other bills discounted.....	5,383	15,071
Total bills discounted.....	\$ 17,938	\$ 35,539
Bills bought in open market.....	9,801	11,335
U. S. Government securities:		
Bonds.....	\$ 3,045	\$ 7,125
Treasury notes.....	12,764	11,563
Certificates of indebtedness.....	13,457	2,355
Total U. S. Government securities.....	\$ 29,266	\$ 21,043
Other securities.....	30	
Total bills and securities.....	\$ 57,035	\$ 67,917
Due from foreign banks.....	\$ 29	\$ 31
Uncollected items.....	35,110	28,782
Bank premises.....	3,811	3,812
All other resources.....	297	433
Total resources.....	\$228,276	\$197,896
<b>LIABILITIES</b>		
Federal Reserve notes in actual circulation.....	\$ 94,744	\$ 64,463
Deposits:		
Member bank—reserve account.....	\$ 79,771	\$ 83,560
Government.....	1,197	1,118
Foreign bank.....	224	280
Other deposits.....	303	596
Total deposits.....	\$ 81,495	\$ 85,554
Deferred availability items.....	34,549	\$ 30,583
Capital paid in.....	5,268	5,408
Surplus.....	10,877	10,820
All other liabilities.....	1,343	1,068
Total liabilities.....	\$228,276	\$197,896
Ratio of total reserves to deposit and Federal reserve note liabilities combined (per cent).....	71.2	62.2
Contingent liability on bills purchased for foreign correspondents	\$ 21,867	\$ 13,890

\*In thousands — 000 omitted.

## NOTE

Statistics pertaining to the Federal Reserve Bank of St. Louis and the member banks will also be found in the annual report of the Federal Reserve Board, Washington, D. C.

THE LIBRARY OF THE  
APR 2 1930  
UNIVERSITY OF CHICAGO



ANNUAL REPORT  
OF THE  
FEDERAL RESERVE BANK  
OF ST. LOUIS



THE LIBRARY OF THE  
APR 6 1931  
UNIVERSITY OF ILLINOIS.

FOR THE YEAR ENDED DECEMBER 31, 1930



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1930

# FEDERAL RESERVE BANK OF ST. LOUIS

## DIRECTORS

### CLASS C

JOHN S. WOOD, Chairman of the Board, St. Louis, Mo.  
JOHN W. BOEHNE, Deputy Chairman, Evansville, Ind.  
PAUL DILLARD, Memphis, Tenn.

### CLASS A

JOHN G. LONSDALE, St. Louis, Mo.  
JOHN C. MARTIN, Salem, Ill.  
MAX B. NAHM, Bowling Green, Ky.

### CLASS B

J. W. HARRIS, St. Louis, Mo.  
W. B. PLUNKETT, Little Rock, Ark.  
M. P. STURDIVANT, Glendora, Miss.

## OFFICERS

JOHN S. WOOD,  
Chairman of the Board and  
Federal Reserve Agent.  
C. M. STEWART,  
Asst. Federal Reserve Agent.  
E. J. NOVY,  
General Auditor.  
A. E. DEBRECHT,  
Assistant Auditor.

WM. McC. MARTIN,  
Governor.  
OLIN M. ATTEBERY,  
Deputy Governor.  
G. McCONKEY,  
Counsel and Secretary.  
A. H. HALL,  
S. F. GILMORE,  
F. N. HALL,  
C. A. SCHACHT,  
G. O. HOLLOCHER,  
Controllers.

## LOUISVILLE BRANCH

### DIRECTORS

E. L. SWEARINGEN, Chairman, Louisville, Ky.  
WHITEFOORD R. COLE, Louisville, Ky.  
EUGENE E. HOGE, Frankfort, Ky.  
W. F. HUTHSTEINER, Tell City, Ind.  
W. P. KINCHELOE, Louisville, Ky.  
JOHN T. REYNOLDS, Greenville, Ky.  
E. H. WOODS, Lucas, Ky.

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W. A. HICKS, Little Rock, Ark.  
JO NICHOL, Pine Bluff, Ark.  
HAMP WILLIAMS, Hot Springs, Ark.  
STUART WILSON, Texarkana, Ark.

### OFFICERS

A. F. BAILEY,  
Managing Director.  
M. H. LONG,  
Cashier.  
CLIFFORD WOOD,  
Assistant Cashier.

## MEMBER FEDERAL ADVISORY COUNCIL

WALTER W. SMITH, St. Louis, Mo.

MARCH 2, 1931.



## LETTER OF TRANSMITTAL

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FEDERAL RESERVE BANK OF ST. LOUIS

St. Louis, February 20, 1931.

Gentlemen :

I have the honor to transmit herewith the annual report of the Federal Reserve Bank of St. Louis, covering the year ended December 31, 1930.

Respectfully,

JOHN S. WOOD,

*Chairman of the Board and  
Federal Reserve Agent.*

FEDERAL RESERVE BOARD,  
Washington, D. C.

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## BUSINESS CONDITIONS IN FEDERAL RESERVE DISTRICT No. 8

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***Industry and Trade.***—In common with other parts of the United States and the world, the year 1930 constituted a period of almost unbroken depression in industry and commerce in the Eighth Federal Reserve District. Causes responsible for the universal recession in business were operative in this district, and in addition there were specific influences which tended to make conditions more unfavorable than in other parts of the country. Notable among these was the severe drought, commencing in early summer and continuing with more or less intensity through the remainder of the year. As a result of deficient moisture, late crops, which form the principal agricultural output, were cut to the smallest volume in recent times, many localities suffering complete failures. Superimposed on losses incident to curtailed production, purchasing power in the rural areas further suffered from a decline in market prices of farm products to the lowest average levels recorded in more than a quarter of a century.

Excepting for an interruption of minor importance in the spring, the recession in business activity, which commenced in the fall of 1929, continued steadily during 1930, the final quarter statistics and measurements disclosing the lowest levels of the year. Virtually all manufacturing, wholesaling and jobbing lines were affected, and in addition to heavily reduced volume, profit margins were narrowed and in many instances completely eliminated. Sales of department stores in the principal cities were smaller by 10 per cent than in 1929. The decrease in dollar volume of trade as a whole was partly due to the decline in prices, which was more pronounced in wholesale than in retail lines.

There was a heavy decrease in the building industry, most marked in residential building. In the five principal cities of the district the dollar value of building permits issued in 1930 was one-third smaller than in 1929, and 56 per cent less than the average during the preceding eight years. Contracts let for construction in the district in 1930 were approximately one-fifth as large as in 1929 and the five-year average (1925-1929). Freight and passenger traffic of railroads operating in the district receded sharply as contrasted with the volume of the preceding several years.

**Agriculture.** — Taken as a whole, agricultural conditions in the Eighth District during the year were the most unfavorable experienced in more than a quarter of a century. Due to the protracted drought, general business depression, extremely low prices and foreign competition, the farm value of the principal crops produced in the district fell approximately 43 per cent below the aggregate in 1929, and considerably below the ten-year average. With the exception of wheat and oats (which were harvested prior to the drought) and white potatoes, yields of all crops were smaller than during the preceding year.

In addition to reduced revenues from field crops, farmers' incomes were further curtailed by smaller receipts from other agricultural activities, such as livestock raising, fruit culture, dairying, and poultry and egg production. Throughout the year prices for these products were depressed and market conditions unfavorable. The value of livestock on farms in the district on January 1 was about 30 per cent less than in 1929. While farm wage scales were lower than in the past and other production costs were less, reduced yields per acre militated against important reductions in operating expenses as a whole, and even on most efficiently operated farms profits were disappointing.

**Banking.** — Lower commodity prices, reduced activity in the security markets and the heavily curtailed business volume were reflected in a decrease in the demand for credit during 1930 as contrasted with the several years immediately preceding. The supply of loanable funds was considerably in excess of requirements, and money rates moved continuously downward, reaching their lowest point in December. The discount rate of this bank, which had remained uniformly at 5 per cent since July 19, 1928, was reduced to 4½ per cent on February 11; to 4 per cent on April 12 and to 3½ per cent on August 7.

Developments during the year are indicated by the movement of assets and liabilities of the 25 weekly reporting member banks in Evansville, Little Rock, Louisville, Memphis and St. Louis. The average of total loans for the fifty-two report dates was 4.9 per cent smaller than in 1929. Average total investments were 9.2 per cent smaller than in the preceding year. The average of net demand deposits was 2.4 per cent less than in 1929, while time deposits averaged one per cent higher. Borrowings at the reserve bank averaged 88.8 per cent less than in the preceding year. Changes in these items are illustrated by the chart on page 16.

A considerable number of banks closed temporarily or permanently in the latter part of the year.

## OPERATIONS OF FEDERAL RESERVE BANK OF ST. LOUIS

Including Branches at Little Rock, Louisville and Memphis.

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### FINANCIAL RESULTS

***Income and Expenditures.*** — In 1930 gross earnings were \$1,745,685, which compares with \$3,247,936 during the preceding year. Current expenses totaled \$1,398,936, as against \$1,438,418 in 1929.

After allowances for depreciation, reserves, etc., the net earnings available for dividends, surplus and franchise tax amounted to only \$1,114, as compared with \$885,884 during the previous year. The sum of \$314,725 was transferred from surplus to meet dividend requirements.

A detailed comparative statement of earnings and expenses is given on page 17.

***Assets and Liabilities.*** — Between December 31, 1929, and the same date in 1930, total resources of this bank decreased from \$228,276,000 to \$196,821,000.

Holdings of paper discounted for member banks decreased from \$17,938,000, to \$11,301,000, and investments in Government securities from \$29,266,000 to \$26,383,000, while bills bought increased from \$9,801,000 to \$10,788,000. Total cash reserves declined from \$125,463,000 to \$113,632,000.

On the liabilities side, Federal reserve notes in circulation decreased from \$94,744,000 to \$84,599,000, and total deposits receded from \$81,495,000 to \$71,352,000, between the dates mentioned. The paid-in capital decreased from \$5,268,000 to \$5,053,000, and the surplus from \$10,877,000 to \$10,562,000.

A comparative statement of condition of this bank appears on page 19. The movement of principal asset items is shown by a chart on page 18.

***Reserve Position.*** — At the end of 1929 the ratio of total reserves to combined deposit and Federal reserve note liabilities stood at 71.2 per cent. On December 31, 1930, the ratio was 72.9 per cent.



The high point of the year, 85.7 per cent, was recorded on December 1, and the low point, 65.3 per cent, on January 3.

## VOLUME OF OPERATIONS

**Discounts.**—A total of \$921,410,000 of paper was discounted by the Federal Reserve Bank of St. Louis in 1930 for its member banks, which compares with \$3,370,048,000 in 1929.

There were 7,156 applications for advances, against 11,629 for the preceding year. Notes discounted numbered 21,944, which compares with 34,642 in 1929. The number of banks accommodated in 1930 was 343, as against 338 in 1929.

Member banks' own collateral notes secured by United States securities or eligible paper, represented 22.3 per cent of the number and 96.4 per cent of the value of notes discounted, the balance being customers' paper rediscounted.

There was no rediscounting with or for other reserve banks.

**Investments.**—From time to time during the year, this bank participated in the System's open market operations in bills and United States securities.

This bank also participated with the Federal Reserve Bank of New York in certain investment transactions for account of banks in foreign countries.

A total of 5,260 acceptances, amounting to \$93,873,000, was acquired, as compared with 1,624 acceptances, aggregating \$26,746,000, in 1929.

A number of member banks bought and sold acceptances or Government securities through this institution.

**Currency.**—Demand for currency was active throughout the year, particularly during the final quarter, when heavy calls were made to fortify the cash position of banks in sections affected by suspensions of financial institutions.

From all sources there were received and counted in 1930 a total of 118,675,000 pieces of paper money, having an aggregate face value of \$504,478,000. This compares with 121,002,000 pieces, with value of \$517,441,000, received and counted in 1929.

There were received and counted in course of the year 125,866,000 coins, with aggregate value of \$13,054,000, as against 149,168,000 coins, worth \$15,742,000, in 1929.

**Note Circulation.** — In 1930 the Federal Reserve Agent issued to the Federal Reserve Bank of St. Louis, \$107,720,000 Federal reserve notes, as compared with \$106,760,000 in 1929.

The Federal Reserve Bank returned to the Agent, \$50,100,000 of fit notes, and the Treasurer of the United States redeemed \$74,330,000 of unfit notes of this bank.

On December 31, 1930, Federal reserve notes outstanding on the books of the Federal Reserve Agent amounted to \$94,870,000, of which 12% was old size currency. These outstanding notes were secured by \$74,885,000 of gold and \$20,427,000 eligible paper pledged with the Agent.

The parent bank and branches held \$9,010,000 of the notes outstanding, \$1,261,000 were in transit to Washington for redemption, and \$84,599,000 were in actual circulation.

**Cash Items.** — While continuing in heavy volume, operations in this department were slightly smaller than during the two preceding years, the decrease being due to depression in general business and to a number of bank suspensions. Checks and warrants handled in 1930 totaled 49,465,000, amounting to \$14,409,662,000, which contrasts with 51,131,000 cash items, amounting to \$15,603,479,000 in 1929.

The number of individual member banks using the clearing facilities at the end of 1930 was 490, as against 534 in 1929. The number of banks exercising the privilege of direct routing of checks payable in other Federal reserve districts was 36, as compared with 39 at the close of 1929. Nonmember banks maintaining clearing accounts with this bank numbered 14, a decrease of three from the preceding year.

On December 31, 1930, this institution was collecting checks at par on 1,915 banks, which represented approximately 82 per cent of all banks in the district.

**Noncash Items.** — The collection facilities offered by this bank were more extensively used in 1930 than during previous years. Noncash collection items to the number of 337,000, with aggregate value of \$291,854,000, were handled in 1930, as against 265,000 items, amounting to \$218,138,000, in 1929. These items consisted of notes, drafts, certificates, coupons (other than Government), etc.

In addition, 1,104,000 United States Government coupons, having a total value of \$16,521,000, were received and cashed, as compared with 1,218,000, worth \$19,261,000, handled during the preceding twelve months.

On December 31, 1930, there were 64 member banks in the Eighth District which had been granted authority to route direct noncash items payable in other Federal reserve districts, a decrease of ten as compared with a year earlier.

**Transfers of Funds.**— This institution in 1930 effected a total of 117,000 incoming and outgoing wire and mail transfers of funds, involving \$6,748,077,000, which compares with 248,000 transfers in 1929, amounting to \$6,371,555,000. The transfers were between member banks in this district and other districts, as well as between banks within the district.

This bank also handled 16,000 deposits, aggregating \$25,332,000, for national banks to their 5 per cent redemption funds at Washington. The number of such deposits and their aggregate amount in 1929 were 17,000 and \$34,543,000, respectively.

**Safekeeping.**— The custody department in 1930 received for safekeeping 113,000 items, of which 91,000 were notes, securities, etc., from outside sources, and 22,000 from other departments of this bank. In 1929 there were 69,000 items received, 32,000 from outside sources and 37,000 from within this bank.

In addition, securities were held in custody for account of the United States Treasury.

The custody department clipped and accounted for the proceeds of 98,000 coupons, which compares with 111,000 coupons clipped in 1929.

**Fiscal Agency.**— As fiscal agent of the United States Government, this bank, in issuing, redeeming and exchanging Government securities, handled 78,000 pieces, representing \$180,292,000, as against 120,000 pieces, amounting to \$266,897,000, in 1929.

At the close of 1930 there were 111 banks in the district which had qualified to receive deposits arising from the sale of Government securities, as against 146 banks at the end of the preceding year. The amount of Government funds in these institutions was \$2,386,000, which compares with \$1,363,000 at the end of 1929. This bank held the collateral pledged as security for deposits and performed other duties incident to the deposit and withdrawal of funds.

On December 31, 1930, deposits of the United States Government in this bank amounted to \$1,089,000, as against \$1,197,000, on the same date in 1929.

**Gold Settlement Fund.**— This fund, maintained at Washington by the twelve Federal reserve banks, continued to prove a valuable instrumentality for the settlement of clearings between the



reserve banks, the transfer of funds between districts, and the transfer of funds for the United States Treasury.

Receipts in 1930 from Federal reserve banks and other sources were \$2,300,000, smaller than disbursements, resulting in a balance of \$18,721,000 to the credit of this bank in the fund at the close of business on the last day of the year.

## RELATIONS WITH BANKS

**Membership.**— Ten new national banks became members of the Federal Reserve Bank of St. Louis in 1930. The memberships of 36 national banks were terminated, of which 26 were through voluntary liquidation, 8 through involuntary liquidation, and 2 by consolidation.

Nine State banks and trust companies became members in course of the year. The memberships of ten State institutions were terminated—2 through voluntary liquidation, one through involuntary liquidation, one by consolidation, 4 by conversion, and 2 after giving the required notice.

On December 31, 1930, this bank had a membership of 552, consisting of 448 national banks and 104 State banks and trust companies.

**Condition Reports.**— Four calls were made by this institution upon State member banks and trust companies for reports of condition. The dates of these calls were: March 27, June 30, September 24 and December 31. The Comptroller of the Currency called on national banks for reports of condition as of the same dates.

Copies of periodical reports of condition, semi-annual reports of earnings and dividends, reports of reserve requirements, and reports of examinations of the member banks were received and reviewed.

**Fiduciary Applications, etc.**— During 1930 the Federal Reserve Board granted the applications of nine national banks in the Eighth District to exercise fiduciary powers. Two applications of outlying member banks in St. Louis for reduced reserve requirements were approved.

Numerous applications for additional stock and partial surrender of stock were received and handled bimonthly. Several applications of individuals to serve banks coming within the provisions of the Clayton Act were acted upon.

There was no addition to the list of member banks authorized to accept bills up to 100 per cent of capital and surplus.

**Publications.**—The statistical division prepared and issued each month a review of trade, industrial, agricultural and financial conditions in the district. The average monthly circulation in 1930 was 5,400, a net increase of about 150 over the preceding year.

Copies of the Regulations of the Federal Reserve Board, as amended, and revised pages of the Manual of Facilities of this bank, were mailed to the member banks.

The brochure, "Benefits of the Federal Reserve System", was revised and mailed to all banks in the district, as well as to libraries, etc. A supply is maintained for general distribution.

**Other Services.**—This bank continued to furnish the member banks, free of charge, forms for obtaining financial statements, ordinary and exchange drafts for drawing on their balances with it, forms for calculating their reserve positions each day, etc.

This institution also continued to absorb certain costs in connection with various services for member banks, such as collection of items, shipments of money, transfers of funds, and safekeeping of notes and securities.

**Visits.**—As in past years, periodical calls were made on member banks by representatives of this institution, except in the latter part of the year, when the field men assisted other departments temporarily.

Conventions and group meetings of bankers' associations in the district were attended by officers or the field men. Officers of the bank also responded to requests to address such gatherings, as well as meetings of commercial organizations, educational institutions, etc.

A large number of students and other visitors were shown through the buildings of the parent bank and branches during the year.

## INTERNAL ORGANIZATION

**Conferences.**—The annual conference of directors and officers of the parent bank with directors of the branches was held in St. Louis on May 28.

Officers of the branches and of the parent bank met for conference at the head office bimonthly, with a few exceptions. Officers of the parent bank also visited the branches.

A meeting of Counsel of the reserve banks was held at Washington in June, and the annual conferences of Federal Reserve Agents and Governors were held there in September.

**Personnel.** — In February Micajah P. Sturdivant was elected a Class B director by banks in group 3, to succeed LeRoy Percy, deceased.

At its meeting on February 19 the Board of Directors of the parent bank elected John M. Tarrant a director of the Memphis Branch.

On May 2, Whitefoord R. Cole was appointed by the Federal Reserve Board as a director of the Louisville Branch for the unexpired term of William Black, deceased.

Rolla Wells resigned as Federal Reserve Agent and Chairman of the Board as of May 6. On May 9 the Federal Reserve Board appointed John S. Wood as Class C director, Federal Reserve Agent and Chairman of the Board, to succeed Mr. Wells. Mr. Wood assumed his duties on June 2.

The following directors were selected to succeed those whose terms expired at the end of 1930:

For Parent Bank. — Max B. Nahm, Class A, elected by member banks in Group 2; James W. Harris, Class B, elected by member banks in Group 1; and John S. Wood, Class C, appointed by the Federal Reserve Board.

For Little Rock Branch.—W. A. Hicks and A. F. Bailey, elected by the parent bank, and Hamp Williams, appointed by the Federal Reserve Board.

For Louisville Branch.—W. F. Huthsteiner and W. P. Kinchloe, elected by the parent bank, and General E. H. Woods, appointed by the Federal Reserve Board.

For Memphis Branch.—R. Brinkley Snowden and W. H. Glasgow, elected by the parent bank, and E. L. Anderson, appointed by the Federal Reserve Board.

On December 31, 1930, the parent bank and its branches had a total of 530 officers and employees, of which 12 were temporary employees. At the end of the preceding year the personnel numbered 533, of which one was a temporary employee.

A roster of officers and directors of the parent bank and branches appears on page 3.

## EXHIBITS

As shown by the table of contents, financial exhibits are given on the following pages, while others appear at the front.



DEPOSITS, LOANS, ETC.  
OF REPORTING MEMBER BANKS  
In St. Louis, Louisville, Memphis, Little Rock and Evansville.

CURVE 1: Deposits.      **1930**  
"    2: Loans  
"    3: Investments.  
"    4: Borrowings from Federal Reserve Bank.  
(AT CLOSE OF BUSINESS EACH WEDNESDAY)



# EARNINGS AND EXPENSES OF FEDERAL RESERVE BANK OF ST. LOUIS (Including Branches).

	1930	1929
<b>EARNINGS</b>		
Discounted bills.....	\$ 660,996	\$2,508,183
Purchased bills.....	285,169	153,655
United States securities.....	753,034	539,675
Deficient reserve penalties.....	17,431	22,740
Miscellaneous.....	29,055	23,683
Total earnings.....	\$1,745,685	\$3,247,936
<b>CURRENT EXPENSES</b>		
Salaries:		
Bank officers.....	\$ 170,659	\$ 170,402
Clerical staff.....	542,016	556,708
Special officers and watchmen.....	48,501	48,187
All other.....	86,791	84,961
Governors' conferences.....	136	401
Federal reserve agents' conferences.....	462	273
Federal Advisory Council.....	1,300	1,300
Directors' meetings.....	13,061	12,095
*Traveling expenses.....	16,508	18,287
Assessments for Federal Reserve Board expenses.....	29,230	30,951
Legal fees.....	902	837
Insurance (other than on currency and security shipments).....	27,197	24,327
Insurance on currency and security shipments.....	17,006	15,159
Taxes on banking house.....	66,135	59,824
Light, heat and power.....	20,792	22,779
Repairs and alterations, banking house.....	9,611	10,090
Rent.....	12,385	17,996
Office and other supplies.....	17,758	20,966
Printing and Stationery.....	21,829	20,822
Telephone.....	13,592	12,591
Telegraph.....	42,992	40,185
Postage.....	84,661	96,283
Expressage.....	15,554	16,000
Miscellaneous expenses.....	33,731	36,929
Total, exclusive of cost of currency.....	\$1,292,809	\$1,318,353
Federal reserve currency, including shipping charges:		
Original cost.....	99,941	115,776
Cost of redemption.....	6,186	4,289
Total current expenses.....	\$1,398,936	\$1,438,418
<b>PROFIT AND LOSS ACCOUNT</b>		
Earnings.....	\$1,745,685	\$3,247,936
Current expenses.....	1,398,936	1,438,418
Current net earnings.....	\$ 346,749	\$1,809,518
Additions to current net earnings.....	\$ 64,218	\$ 16,815
Deductions from current net earnings:		
Bank premises—depreciation.....	\$ 175,332	\$ 190,022
Furniture and equipment.....	18,848	98,175
Reserve for probable losses.....	214,875	155,000
Loss on sale of United States securities.....		238,343
Fund for self insurance.....		250,000
All other.....	798	8,909
Total deductions.....	\$ 409,853	\$ 940,449
Net earnings available for dividends, surplus and franchise tax	\$ 1,114	\$ 885,884
Dividends paid.....	\$ 315,839	\$ 319,231
Transferred to surplus account.....		56,665
Transferred from surplus account.....	314,725	
Franchise tax paid United States Government.....		509,988
<b>REIMBURSABLE FISCAL AGENCY EXPENSES</b>		
Salaries.....	\$ 10,354	\$ 10,248
All other.....	2,163	2,498
Total.....	\$ 12,517	\$ 12,746

\*Other than those connected with governors' and agents' conferences and meetings of directors and of the advisory council.

# DISCOUNTS AND INVESTMENTS OF FEDERAL RESERVE BANK OF ST. LOUIS (INCLUDING BRANCHES)

## 1930

- CURVE 1: Discount Rate  
 " 2: Total Earning Assets Held  
 " 3: Bills Discounted Held  
 " 4: United States Securities Held  
 " 5: Bills Bought Held

(AVERAGE FOR EACH WEEK)

MILLIONS OF DOLLARS

MILLIONS OF DOLLARS





# STATEMENT OF CONDITION OF FEDERAL RESERVE BANK OF ST. LOUIS (Including Branches).

	*Dec. 31, 1930	*Dec. 31, 1929
<b>RESOURCES</b>		
Gold with Federal reserve agent.....	\$ 74,885	\$ 84,630
Gold redemption fund with United States Treasury.....	1,594	5,734
Gold held exclusively against Federal reserve notes.....	\$ 76,479	\$ 90,364
Gold settlement fund with Federal Reserve Board.....	18,721	21,021
Gold and gold certificates held by bank.....	9,130	5,497
Total gold reserves.....	\$104,330	\$116,882
Reserves other than gold.....	9,302	8,581
Total reserves.....	\$113,632	\$125,463
Non-reserve cash.....	4,675	6,531
Bills discounted:		
Secured by U. S. Government obligations.....	\$ 4,962	\$ 12,555
Other bills discounted.....	6,339	5,383
Total bills discounted.....	\$ 11,301	\$ 17,938
Bills bought in open market.....	10,788	9,801
U. S. Government securities:		
Bonds.....	\$ 1,202	\$ 3,045
Treasury notes.....	15,055	12,764
Certificates and Bills.....	10,126	13,457
Total U. S. Government securities.....	\$ 26,383	\$ 29,266
Other securities.....		30
Total bills and securities.....	48,472	\$ 57,035
Due from foreign banks.....	25	\$ 29
Uncollected items.....	21,817	32,600
F. R. Notes of other banks.....	1,057	2,510
Bank premises.....	3,636	3,811
All other resources.....	3,507	297
Total resources.....	\$196,821	\$228,276
<b>LIABILITIES</b>		
Federal Reserve notes in actual circulation.....	\$ 84,599	\$ 94,744
Deposits:		
Member bank—reserve account.....	\$ 69,521	\$ 79,771
Government.....	1,089	1,197
Foreign bank.....	207	224
Other deposits.....	535	303
Total deposits.....	\$ 71,352	\$ 81,495
Deferred availability items.....	\$ 23,934	\$ 34,549
Capital paid in.....	5,053	5,268
Surplus.....	10,562	10,877
All other liabilities.....	1,321	1,343
Total liabilities.....	\$196,821	\$228,276
Ratio of total reserves to deposit and Federal Reserve Note liabilities combined (per cent).....	72.9	71.2
Contingent liability on bills purchased for foreign correspondents.....	\$ 15,642	\$ 21,867

\*In thousands — 000 omitted.

## NOTE

Statistics pertaining to the Federal Reserve Bank of St. Louis and the member banks will also be found in the annual report of the Federal Reserve Board, Washington, D. C.



ANNUAL REPORT  
OF THE  
FEDERAL RESERVE BANK  
OF ST. LOUIS

THE LIBRARY OF THE  
MAR 26 1932  
UNIVERSITY OF ILLINOIS



FOR THE YEAR ENDED DECEMBER 31, 1931





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# FEDERAL RESERVE BANK OF ST. LOUIS

## DIRECTORS

### CLASS C

JOHN S. WOOD, Chairman of the Board, St. Louis, Mo.  
JOHN W. BOEHNE, Deputy Chairman, Evansville, Ind.  
PAUL DILLARD, Memphis, Tenn.

### CLASS A

JOHN G. LONSDALE, St. Louis, Mo.  
JOHN C. MARTIN, Salem, Ill.  
MAX B. NAHM, Bowling Green, Ky.

### CLASS B

J. W. HARRIS, St. Louis, Mo.  
W. B. PLUNKETT, Little Rock, Ark.  
M. P. STURDIVANT, Glendora, Miss.

## OFFICERS

JOHN S. WOOD,  
Chairman of the Board and  
Federal Reserve Agent.  
C. M. STEWART,  
Asst. Federal Reserve Agent.  
E. J. NOVY,  
General Auditor.  
A. E. DEBRECHT,  
Assistant Auditor.

WM. McC. MARTIN,  
Governor.  
OLIN M. ATTEBERY,  
Deputy Governor.  
J. G. McCONKEY,  
Counsel and Secretary.  
A. H. HALL,  
S. F. GILMORE,  
F. N. HALL,  
G. O. HOLLOCHER,  
O. C. PHILLIPS,  
Controllers.

## LOUISVILLE BRANCH

### DIRECTORS

W. R. COLE, Chairman, Louisville, Ky.  
W. W. CRAWFORD, Louisville, Ky.  
EUGENE E. HOGE, Frankfort, Ky.  
W. F. HUTHSTEINER, Tell City, Ind.  
JOHN T. MOORE, Louisville, Ky.  
JOHN T. REYNOLDS, Greenville, Ky.  
E. H. WOODS, Lucas, Ky.

### OFFICERS

JOHN T. MOORE,  
Managing Director.  
C. A. SCHACHT,  
Cashier.  
STANLEY B. JENKS,  
Assistant Cashier.  
L. A. MOORE,  
Assistant Auditor.

## MEMPHIS BRANCH

### DIRECTORS

WILLIAM ORGILL, Chairman, Memphis, Tenn.  
J. W. ALDERSON, Forrest City, Ark.  
E. L. ANDERSON, Dickerson, Miss.  
W. H. GLASGOW, Memphis, Tenn.  
S. E. RAGLAND, Memphis, Tenn.  
R. BRINKLEY SNOWDEN, Memphis, Tenn.  
J. M. TARRANT, Dyersburg, Tenn.

### OFFICERS

W. H. GLASGOW,  
Managing Director.  
S. K. BELCHER,  
Cashier.  
C. E. MARTIN,  
Assistant Cashier.

## LITTLE ROCK BRANCH

### DIRECTORS

GORDON H. CAMPBELL, Chairman, Little Rock, Ark.  
A. F. BAILEY, Little Rock, Ark.  
W. A. HICKS, Little Rock, Ark.  
C. H. MURPHY, El Dorado, Ark.  
JO NICHOL, Pine Bluff, Ark.  
STUART WILSON, Texarkana, Ark.  
MOORHEAD WRIGHT, Little Rock, Ark.

### OFFICERS

A. F. BAILEY,  
Managing Director.  
M. H. LONG,  
Cashier.  
CLIFFORD WOOD,  
Assistant Cashier.

## MEMBER FEDERAL ADVISORY COUNCIL

WALTER W. SMITH, St. Louis, Mo.

FEBRUARY 18, 1932.

## LETTER OF TRANSMITTAL

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FEDERAL RESERVE BANK OF ST. LOUIS

St. Louis, February 18, 1932.

Gentlemen:

I have the honor to transmit herewith the annual report of the Federal Reserve Bank of St. Louis, covering the year ended December 31, 1931.

Respectfully,

JOHN S. WOOD,

*Chairman of the Board and  
Federal Reserve Agent.*

FEDERAL RESERVE BOARD,  
Washington, D. C.

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## BUSINESS CONDITIONS IN FEDERAL RESERVE DISTRICT No. 8

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**Industry and Trade.** — The recession in commercial and industrial activities in this country and abroad continued throughout 1931. Influences responsible for the universal disturbance to business were acutely felt in the Eighth Federal Reserve District, and from an economic viewpoint, resulted in the most unfavorable year experienced since the area was established. These influences appeared in the form of collapsing commodity prices, curtailed production and consumption of manufactured merchandise, reduced employment and wages, severe depression in agriculture, many bank and commercial failures, narrow profit margins or actual losses in various branches of activity, and similar manifestations.

Because of these conditions, merchants, manufacturers and the public at large were disposed to caution and economy in purchasing all sorts of commodities. This attitude resulted in generally small inventories at the close of the year, particularly of manufactured goods. As indicated by statistics of interests reporting to this bank, the dollar volume of wholesale and jobbing trade in 1931 was approximately 16 per cent less than during the preceding year, while retail trade showed a shrinkage of about 13 per cent. In consequence of lower prices, however, the unit volume made a more favorable exhibit in comparison with the preceding year than the aggregate dollar sales.

Operations in metal working trades, notably iron and steel, which are among the most important in the district, were considerably smaller than in other years. Activities in the building industry receded to low levels, the dollar value of permits issued in the five largest cities being one-fourth smaller than in 1930 and 45 per cent less than the average during the past nine years. Construction contracts let in the district were 42 per cent smaller than in 1930, and only about one-half as large as the average during the preceding seven years. Operations at bituminous coal and lead and zinc mines were at the lowest rate in a number of years. Reduced distribution was reflected in sharp contraction in freight traffic of railroads. Debits to individual accounts, consumption of electricity, postal receipts and other statistical series employed to measure business, reflected decreases as compared with recent years.



**Agriculture.** — In 1931 agriculture in this district presented the paradox of greatest production in recent years and the smallest monetary returns to producers. The reasons for this were one of the most favorable seasons ever experienced, from planting to harvest, and on the other hand, lowest average prices in more than a quarter of a century. Acreage cropped was somewhat larger than in 1930, and a total output of all crops was materially greater. Withal, total crop value in 1931, based on farm prices as of December 1, was one-fifth smaller than in 1930 and 51 per cent less than in 1929.

Due to their unusual efforts and economies, however, the general condition of farmers at the end of the season was somewhat more favorable than a year earlier. Heavy yields partly offset low prices, leaving moderate profits. In addition, abundant food and feed were produced which enabled farmers to carry through the winter and insured lower costs for raising the succeeding crops. Further progress was made in diversification programs, dairying and poultry raising. Throughout the year there was a large surplus of farm labor, with wage scales considerably lower than heretofore.

**Banking.** — Changes in 1931 were characteristic of those which ordinarily occur in periods of depression. Demands for credit were relatively light, due to contraction in commerce and industry, less activity in the security market, lower commodity prices, etc. Mortality among business firms was heavy and there was an unusually large number of bank suspensions. Toward the end of the year there was a tightening of credit policies at many commercial banks, due to a desire to fortify their cash positions. At the same time there was a noticeable increase in hoarding by individuals. Interest rates averaged higher than during the preceding several years. This bank's discount rate was lowered from  $3\frac{1}{2}$  to 3 per cent on January 8, and effective May 9, was further reduced to  $2\frac{1}{2}$  per cent. On October 22 the rate was restored to  $3\frac{1}{2}$  per cent.

The following changes in assets and liabilities of the reporting member banks in Evansville, Little Rock, Louisville, Memphis and St. Louis reflect developments during 1931 as compared with the previous year: The average of total loans for the fifty-two report dates was 16.4 per cent smaller, whereas average total investments were 33.5 per cent larger. The average of net demand deposits was 3.5 per cent less, while time deposits averaged .9 per cent higher. Borrowings at the reserve bank averaged 12.5 per cent smaller. These changes are illustrated by a chart on Page 16.

The National Credit Corporation, which was created in October, performed a valuable service in this district.

## OPERATIONS OF FEDERAL RESERVE BANK OF ST. LOUIS

Including Branches at Little Rock, Louisville and Memphis.

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### FINANCIAL RESULTS

***Income and Expenditures.*** — Gross earnings in 1931 were \$1,188,631, as compared with \$1,745,685 for the preceding year. Current expenses aggregated \$1,350,924, as against \$1,398,936 in 1930.

After allowances for depreciation, reserves, etc., it was necessary to transfer \$350,672 from surplus to meet dividend requirements. In 1930 the sum of \$314,725 was transferred from surplus to pay dividends.

A detailed comparative statement of earnings and expenses is given on page 17.

***Assets and Liabilities.*** — Total resources on December 31, 1931, were \$188,112,000, as compared with \$196,820,000 on the closing day of the preceding year.

Between December 31, 1930 and 1931, holdings of paper discounted for member banks increased from \$11,301,000 to \$16,886,000, investments in Government securities from \$26,383,000 to \$27,099,000, and bills purchased from \$10,788,000 to \$12,823,000. Total cash reserves decreased from \$113,632,000 to \$101,816,000.

In the liabilities column, an increase from \$84,599,000 to \$86,941,000 was shown in Federal reserve notes in circulation, while total deposits receded from \$71,351,000 to \$65,840,000, the paid-in capital from \$5,053,000 to \$4,693,000, and surplus from \$10,562,000 to \$10,025,000.

A comparative statement of condition of this bank appears on page 19. The movement of the principal asset items is exhibited by a chart on page 18.

***Reserve Position.*** — The ratio of total reserves to combined deposit and Federal reserve note liabilities on the final day of 1930 stood at 72.9 per cent. On December 31, 1931, the ratio was 66.6 per cent.

The maximum for the year, 81 per cent, was recorded on February 16, while the low point, 48.4 per cent, was reached on October 30.

## VOLUME OF OPERATIONS

**Discounts.**—In 1931 the Federal Reserve Bank of St. Louis discounted for its member banks a total of \$761,745,000 of paper, as compared with \$921,410,000 in 1930.

Applications for discounts numbered 7,465, as against 7,156 during the preceding twelve months. The number of notes discounted in 1931 numbered 14,148, which compares with 21,944 the year before. The number of individual banks discounting with this institution in 1931 was 334, as against 343 in 1930.

Member banks' own collateral notes secured by United States securities and/or eligible paper, constituted 45.3 per cent of the number and 98.6 per cent of the value of all notes discounted, the balance being customers' paper rediscounted.

No rediscounting was done with or for any other reserve bank.

**Investments.**—As in preceding years, this bank participated from time to time during 1931 in the Federal Reserve System's open market operations in bills and United States Government securities.

This institution also participated with the Federal Reserve Bank of New York in certain investment transactions for account of banks in foreign countries.

During the year this bank acquired 6,346 acceptances, amounting to \$86,004,000, exclusive of its allotment of \$8,807,000 bills payable in foreign currencies. In 1930 the acceptances numbered 5,260 and aggregated \$92,430,000, excluding \$1,443,000 bills payable in foreign currencies.

In addition to transactions for its own account, this bank bought and sold acceptances and Government securities for a number of its member banks.

**Currency.**—The demand for currency continued active throughout the year, particularly during the last quarter, when there was a number of bank suspensions and hoarding was practiced.

In 1931 this bank received from all sources and counted 110,838,000 pieces of paper money having an aggregate face value of \$451,017,000. This compares with 118,675,000 pieces with value of \$504,478,000, received and counted in 1930.

Coins numbering 126,135,000, with aggregate value of \$12,221,000, were taken in and counted during 1931, as against 125,866,000 coins, worth \$13,054,000, in 1930.

**Note Circulation.**—In 1931 the Federal Reserve Agent issued to the Federal Reserve Bank of St. Louis \$76,290,000 of Federal reserve notes, as compared with \$107,720,000 in 1930.



The Federal Reserve Bank returned to the Agent \$33,180,000 of fit notes, and the Treasurer of the United States redeemed \$46,678,245 of unfit notes of this bank.

On December 31, 1931, Federal reserve notes outstanding on the books of the Federal Reserve Agent amounted to \$91,301,300, of which 9% was old size currency. These outstanding notes were secured by \$64,885,130 of gold and \$27,287,394 of eligible paper pledged with the Agent.

The parent bank and branches held \$3,224,280 of the notes outstanding, \$1,136,600 were in transit to Washington for redemption, and \$86,940,420 were in actual circulation.

**Cash Items.** — Reflecting the curtailment in general business, recession in commodity prices and reduced number of banks, the volume of operations in this department was measurably smaller than during the preceding several years. Checks and warrants handled in 1931 totaled 47,320,000, amounting to \$10,963,005,000, which compares with 49,465,000 cash items, amounting to \$14,409,662,000 in 1930.

At the end of 1931 the number of individual member banks using the clearing facilities was 447, as against 490 at the close of the year before. The number of banks exercising the privilege of direct routing of checks payable in other Federal reserve districts was 32, as against 36 at the end of 1930. There were 18 nonmember banks maintaining clearing accounts with this institution, an increase of 4 over the preceding year.

On December 31, 1931, this institution was collecting checks at par on 1,705 banks in the district, which number represented approximately 81 per cent of all banks within this area.

**Noncash Items.** — A total of 388,000 noncash collection items, representing an aggregate value of \$265,960,000, was handled by this bank in 1931, which compares with 337,000 items, amounting to \$291,854,000, in 1930. These items comprised notes, drafts, certificates, coupons other than Government, etc.

In addition, 990,000 coupons from United States Government securities, having a total value of \$15,216,000, were received and cashed. This compares with 1,104,000 such coupons, amounting to \$16,521,000, handled in 1930.

At the close of the year there were 64 member banks in the Eighth District which had been granted authority to route direct noncash collection items payable in other Federal reserve districts, this being the same number as at the end of the preceding year.

**Transfers of Funds.**— During the year, this bank effected a total of 98,000 incoming and outgoing wire and mail transfers of funds, involving \$5,107,552,000, which compares with 117,000 transfers in 1930, amounting to \$6,748,077,000. The transfers were between member banks in this district and other districts, as well as between member banks within the district.

In addition, this institution handled 14,000 deposits, totaling \$16,247,000, for national banks to their 5 per cent redemption funds at Washington, D. C. The number of such deposits and their aggregate amount in 1930 were 16,000 and \$25,332,000, respectively.

**Safekeeping.**— During the course of the year the custody department took over 73,000 items, of which 61,000 consisted of notes, securities, etc., from outside sources, and 12,000 from other departments of this bank. In 1930 there were 113,000 items received, 91,000 from outside sources and 22,000 from within the bank.

Securities were also held in custody for account of the United States Treasury and the National Credit Corporation.

Approximately 97,000 coupons were clipped from securities held in custody and the proceeds accounted for, which compares with 98,000 coupons in 1930.

**Fiscal Agency.**— Acting in its capacity of fiscal agent of the United States Government, this bank, in issuing, redeeming and exchanging Government securities, handled 98,000 pieces having a face value of \$349,723,000. In 1930 there were 78,000 securities handled, representing \$180,292,000.

At the close of the year there were 108 banks in the district which had qualified to receive deposits arising from the sale of Government securities, a decrease of three as compared with the number at the end of 1930. The amount of Government funds in these institutions was \$5,468,000, as against \$2,386,000 at the close of 1930. This bank held the collateral pledged as security for these deposits and performed other duties incident to the deposit and withdrawal of funds.

Government deposits in the Federal Reserve Bank of St. Louis on December 31, 1931, totaled \$3,128,000, as against \$1,089,000 on the same date in 1930.

**Gold Settlement Fund.**— As in previous years, the gold settlement fund maintained in Washington, D. C., by the reserve banks, proved an efficient and expeditious instrumentality for settling check clearings, the transfer of funds between reserve districts, and transfers for the United States Treasury.

Receipts in 1931 from Federal reserve banks and other sources were \$2,969,000 greater than disbursements, resulting in a balance of \$9,600,000 to the credit of this bank in the fund at the close of business on the last day of the year.

## RELATIONS WITH BANKS

**Membership.** — Six new national banks became members of the Federal Reserve Bank of St. Louis in 1931. The memberships of 61 national banks were terminated, of which 13 were through voluntary liquidation, 47 through involuntary liquidation, and one by consolidation.

One trust company became a member in the course of the year. The memberships of 13 State institutions were terminated — 3 through voluntary liquidation, 9 through involuntary liquidation, and one after giving the required six months notice.

On December 31, 1931, this bank had a membership of 485, consisting of 393 national banks and 92 State banks and trust companies.

**Condition Reports.** — There were four calls made by this institution in 1931 upon member State banks and trust companies for reports of condition. The dates of these calls were: March 25, June 30, September 29 and December 31. The Comptroller of the Currency called on national banks for reports of condition on the same dates.

There were received and reviewed copies of periodical reports of condition, semi-annual reports of earnings and dividends, reports of reserve requirements and reports of examinations of member banks. In addition, a number of investigations were made by the Federal reserve examiners, most of which were in conjunction with examinations by State banking departments.

**Fiduciary Applications, Etc.** — During 1931 the Federal Reserve Board granted limited fiduciary powers to two national banks and supplementary powers to one national bank in the Eighth District. The application of one outlying member bank in St. Louis for reduced reserve requirements was approved.

Numerous applications for additional stock and partial surrender of stock were received and handled bimonthly. Several applications of individuals to serve banks coming within the provisions of the Clayton Act were acted on.

There was no addition to the list of member banks authorized to accept bills up to 100 per cent of capital and surplus.



**Publications.** — The monthly review of business, financial and agricultural conditions in the Eighth District, prepared by the statistical division, had an average monthly circulation in 1931 of 5,600, an increase of 200 over the preceding year.

Copies of amended Regulation G of the Federal Reserve Board and revised pages of the Manual of Facilities of this bank were supplied to member banks.

The library complied with numerous requests for copies of the brochure, "Benefits of the Federal Reserve System," the pamphlet "Verification of Financial Statements," and other information on financial topics.

**Other Services.** — As in previous years, this institution continued to furnish member banks without charge, forms for obtaining financial statements, ordinary and exchange drafts for drawing on their balances with it, forms for calculating their reserve positions each day, etc.

Certain costs in connection with various services for member banks, such as collection of items, shipments of paper and metallic currency, transfers of funds, and safekeeping of notes and securities, continued to be absorbed by this bank.

**Visits.** — Following the practice of past years, periodical visits were made by the bank relations force to member banks, and to nonmember banks in communities where member banks are located. During the first and latter parts of the year, however, these visits were interrupted, due to the temporary transfer of the field men to other departments.

Representatives of the Federal Reserve Bank attended conventions and group meetings of bankers' associations in the district. Officers of the bank also responded to a number of requests to address gatherings of bankers, business men, etc.

A considerable number of visitors, including classes from schools and colleges, were conducted through the buildings of the parent bank and branches during the year.

## INTERNAL ORGANIZATION

**Conferences.** — Bimonthly conferences were held at the head office between officers of the parent bank and branches.

On June 17 the annual conference of directors and officers of the parent bank with the directors of the three branches was held in St. Louis.

**Personnel.** — Charles H. Murphy was appointed a director of the Little Rock Branch by the Federal Reserve Board in June, to fill the unexpired term of Hamp Williams, deceased.

Embry L. Swearingen, a director of the Louisville Branch, died on July 21.

At its meeting on September 2, the Board of Directors of the parent bank accepted the resignation of Earl R. Muir, Assistant Cashier of the Louisville Branch, and elected Stanley P. Jenks to fill the position.

On November 4 the parent board elected John T. Moore as Managing Director of the Louisville Branch, to succeed W. P. Kincheloe, resigned, and elected C. A. Schacht, a controller of the parent bank, as cashier of the Branch to fill the vacancy caused by the promotion of Mr. Moore.

In December the Federal Reserve Board appointed W. W. Crawford a director of the Louisville Branch for the unexpired term of Embry L. Swearingen, deceased.

The following directors were selected to succeed those whose terms expired at the end of 1931:

For Parent Bank. — John C. Martin, Class A, elected by member banks in Group 3; W. B. Plunkett, Class B, elected by banks in Group 2, and Paul Dillard, Class C, appointed by the Federal Reserve Board.

For Little Rock Branch. — Jo Nichol and A. F. Bailey, elected by the parent bank, and Moorhead Wright, appointed by the Federal Reserve Board.

For Louisville Branch. — John T. Reynolds and John T. Moore, elected by the parent bank, and W. W. Crawford, appointed by the Federal Reserve Board.

For Memphis Branch. — J. W. Alderson and W. H. Glasgow, elected by the parent bank, and S. E. Ragland, appointed by the Federal Reserve Board.

On December 31, 1931, the parent bank and its branches had a total of 518 officers and employees, of which 8 were temporary employees. At the end of the preceding year the personnel numbered 530, of which 12 were temporary employees.

A list of the officers and directors of the parent bank and branches appears on page 3.

## EXHIBITS

As set forth in the table of contents, financial exhibits occupy following pages of this report, while others appear at the front.

# DEPOSITS, LOANS, ETC. OF REPORTING MEMBER BANKS

In St. Louis, Louisville, Memphis, Little Rock and Evansville.

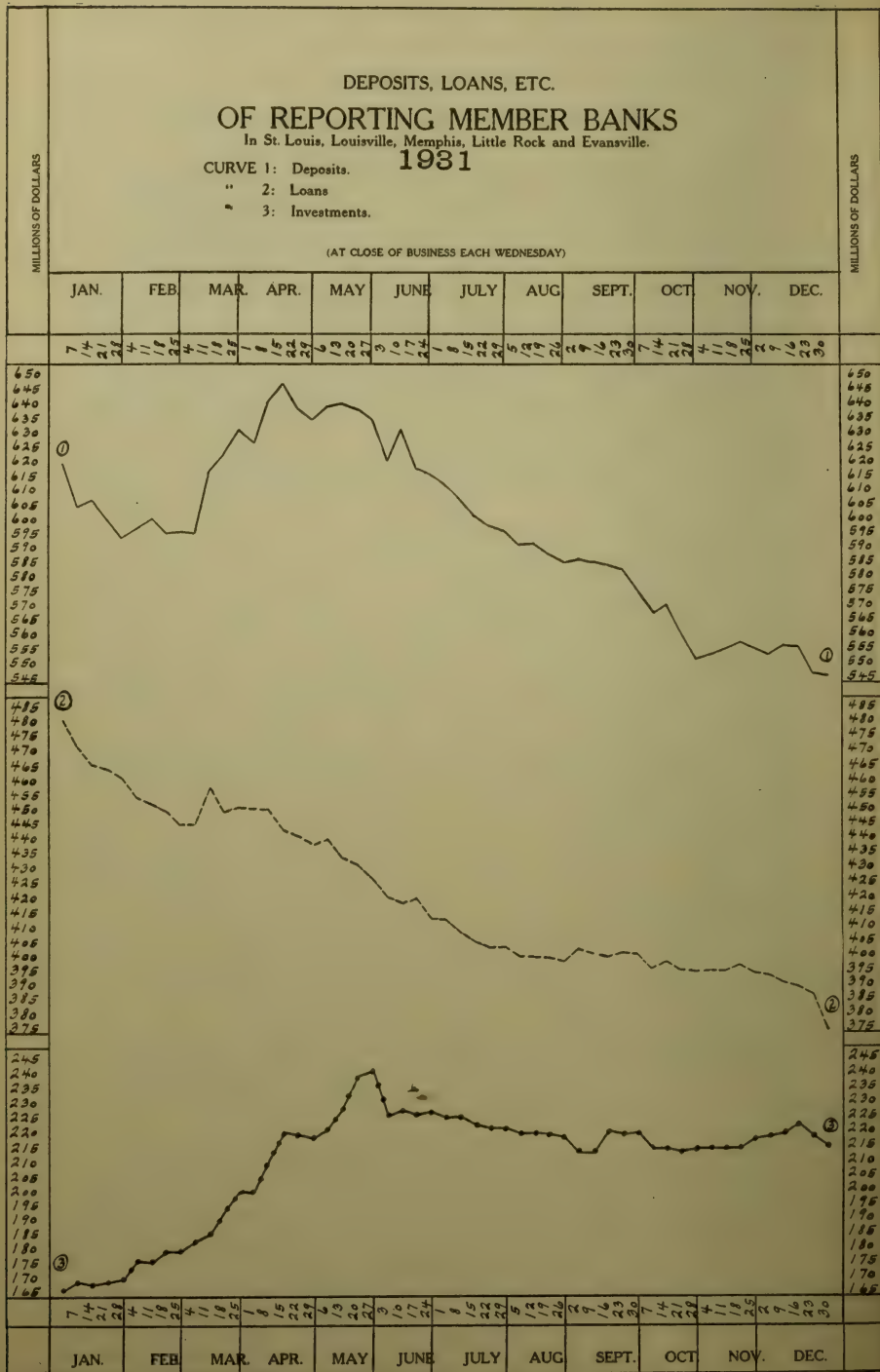
CURVE 1: Deposits.

" 2: Loans

" 3: Investments.

## 1931

(AT CLOSE OF BUSINESS EACH WEDNESDAY)





# EARNINGS AND EXPENSES OF FEDERAL RESERVE BANK OF ST. LOUIS (Including Branches).

	1931	1930
<b>EARNINGS</b>		
Discounted bills.....	\$ 388,769	\$ 660,996
Purchased bills.....	177,420	285,169
United States securities.....	560,695	753,034
Federal Intermediate Credit Bank debentures.....	6,403	.....
Deficient reserve penalties.....	21,800	17,431
Miscellaneous.....	33,544	29,055
<b>Total earnings.....</b>	<b>\$1,188,631</b>	<b>\$1,745,685</b>
<b>CURRENT EXPENSES</b>		
Salaries:		
Officers.....	\$ 178,752	\$ 170,659
Clerical employes.....	544,859	542,016
Other employes.....	138,375	135,292
Governors' conferences.....	276	136
Federal reserve agents' conferences.....	.....	462
Federal Advisory Council.....	1,300	1,300
Directors' meetings.....	17,053	13,061
Traveling expenses.....	24,597	16,508
Assessments for Federal Reserve Board expenses.....	25,106	29,230
Legal fees.....	5,120	902
Insurance on currency and security shipments.....	10,945	17,006
Other insurance.....	25,641	27,197
Taxes on banking house.....	65,393	66,135
Light, heat and power.....	19,579	20,792
Repairs and alterations.....	11,483	9,611
Rent.....	3,000	12,385
Office and other supplies.....	15,157	17,758
Printing and Stationery.....	23,676	21,829
Telephone.....	13,957	13,592
Telegraph.....	39,994	42,992
Postage.....	78,620	84,661
Expressage.....	13,076	15,554
Miscellaneous.....	38,158	33,731
<b>Total, exclusive of cost of currency.....</b>	<b>\$1,294,117</b>	<b>\$1,292,809</b>
Federal reserve currency, including shipping charges:		
Original cost.....	50,143	99,941
Cost of redemption.....	6,664	6,186
<b>Total current expenses.....</b>	<b>\$1,350,924</b>	<b>\$1,398,936</b>
<b>PROFIT AND LOSS ACCOUNT</b>		
Earnings.....	\$1,188,631	\$1,745,685
Current expenses.....	1,350,924	1,398,936
<b>Current net earnings.....</b>	<b>—162,293</b>	<b>\$ 346,749</b>
<b>Additions to current net earnings.....</b>	<b>**\$ 317,595</b>	<b>\$ 64,218</b>
Deductions from current net earnings:		
Bank premises—depreciation.....	\$ 175,332	\$ 175,332
Furniture and equipment.....	28,496	18,848
Reserve for probable losses.....	.....	214,875
All other.....	12,737	798
<b>Total deductions.....</b>	<b>\$ 216,565</b>	<b>\$ 409,853</b>
<b>Net earnings available for dividends, surplus and franchise tax</b>	<b>— 61,263</b>	<b>\$ 1,114</b>
Dividends paid.....	\$ 289,409	\$ 315,839
Transferred from surplus account.....	350,672	314,725
<b>REIMBURSABLE FISCAL AGENCY EXPENSES</b>		
Salaries.....	\$ 10,815	\$ 10,354
All other.....	5,642	2,163
<b>Total.....</b>	<b>\$ 16,457</b>	<b>\$ 12,517</b>

\*Other than those connected with governors' and agents' conferences and meetings of directors and of the advisory council.

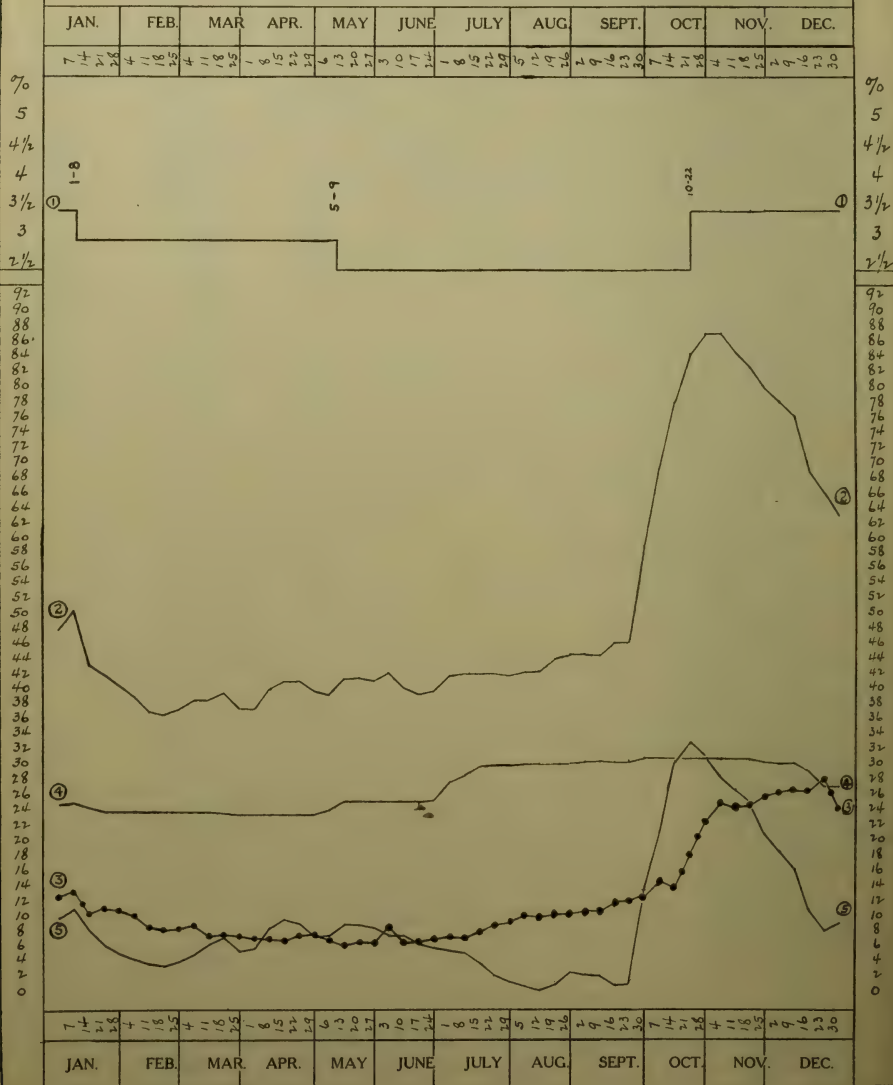
\*\*Includes \$153,306 profit on U. S. securities sold and \$150,000 withdrawn from reserve for losses.

# DISCOUNTS AND INVESTMENTS OF FEDERAL RESERVE BANK OF ST. LOUIS

(INCLUDING BRANCHES)  
**1931**

- CURVE 1: Discount Rate  
 " 2: Total Earning Assets Held  
 " 3: Bills Discounted Held  
 " 4: United States Securities Held  
 " 5: Bills Bought Held

(AVERAGE FOR EACH WEEK)



# STATEMENT OF CONDITION OF FEDERAL RESERVE BANK OF ST. LOUIS (Including Branches).

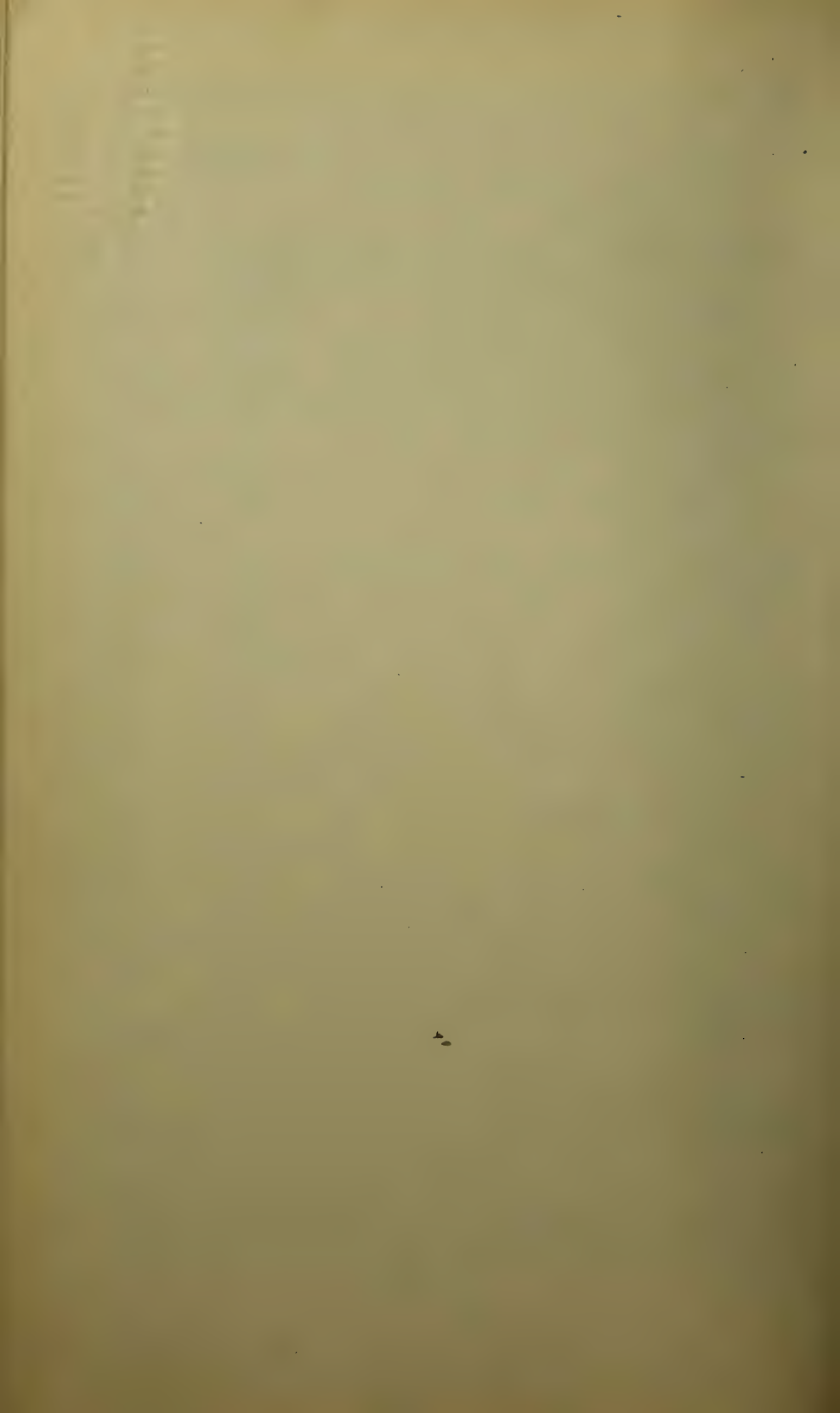
	*Dec. 31, 1931	*Dec. 31, 1930
<b>RESOURCES</b>		
Gold with Federal reserve agent.....	\$ 64,885	\$ 74,885
Gold redemption fund with United States Treasury.....	2,382	1,594
Gold held exclusively against Federal reserve notes.....	\$ 67,267	\$ 76,479
Gold settlement fund with Federal Reserve Board.....	9,600	18,721
Gold and gold certificates held by bank.....	12,086	9,129
Total gold reserves.....	\$ 88,953	\$104,329
Reserves other than gold.....	12,863	9,303
Total reserves.....	\$101,816	\$113,632
Non-reserve cash.....	3,773	4,675
Bills discounted:		
Secured by U. S. Government obligations.....	\$ 10,190	\$ 4,962
Other bills discounted.....	6,696	6,339
Total bills discounted.....	\$ 16,886	\$ 11,301
Bills bought in open market.....	12,823	10,788
U. S. Government securities:		
Bonds.....	\$ 11,393	\$ 1,202
Treasury notes.....	783	15,056
Certificates and Bills.....	14,923	10,125
Total U. S. Government securities.....	\$ 27,099	\$ 26,383
Other securities.....	880	
Total bills and securities.....	\$ 57,688	\$ 48,472
Due from foreign banks.....	\$ 21	\$ 25
F. R. Notes of other banks.....	1,270	1,056
Uncollected items.....	18,088	21,817
Bank premises.....	3,461	3,635
All other resources.....	1,995	3,508
Total resources.....	\$188,112	\$196,820
<b>LIABILITIES</b>		
Federal Reserve notes in actual circulation.....	\$ 86,941	\$ 84,599
Deposits:		
Member bank—reserve account.....	\$ 59,456	\$ 69,521
Government.....	3,128	1,089
Foreign bank.....	2,690	207
Other deposits.....	566	534
Total deposits.....	\$ 65,840	\$ 71,351
Deferred availability items.....	\$ 19,305	\$ 23,934
Capital paid in.....	4,693	5,053
Surplus.....	10,025	10,562
All other liabilities.....	1,308	1,321
Total liabilities.....	\$188,112	\$196,820
Ratio of total reserves to deposit and Federal Reserve Note liabilities combined (per cent).....	66.6	72.9
Contingent liability on bills purchased for foreign correspondents	\$ 8,699	\$ 15,642

\*In thousands — 000 omitted.

## NOTE

Statistics pertaining to the Federal Reserve Bank of St. Louis and the member banks will also be found in the annual report of the Federal Reserve Board, Washington, D. C.



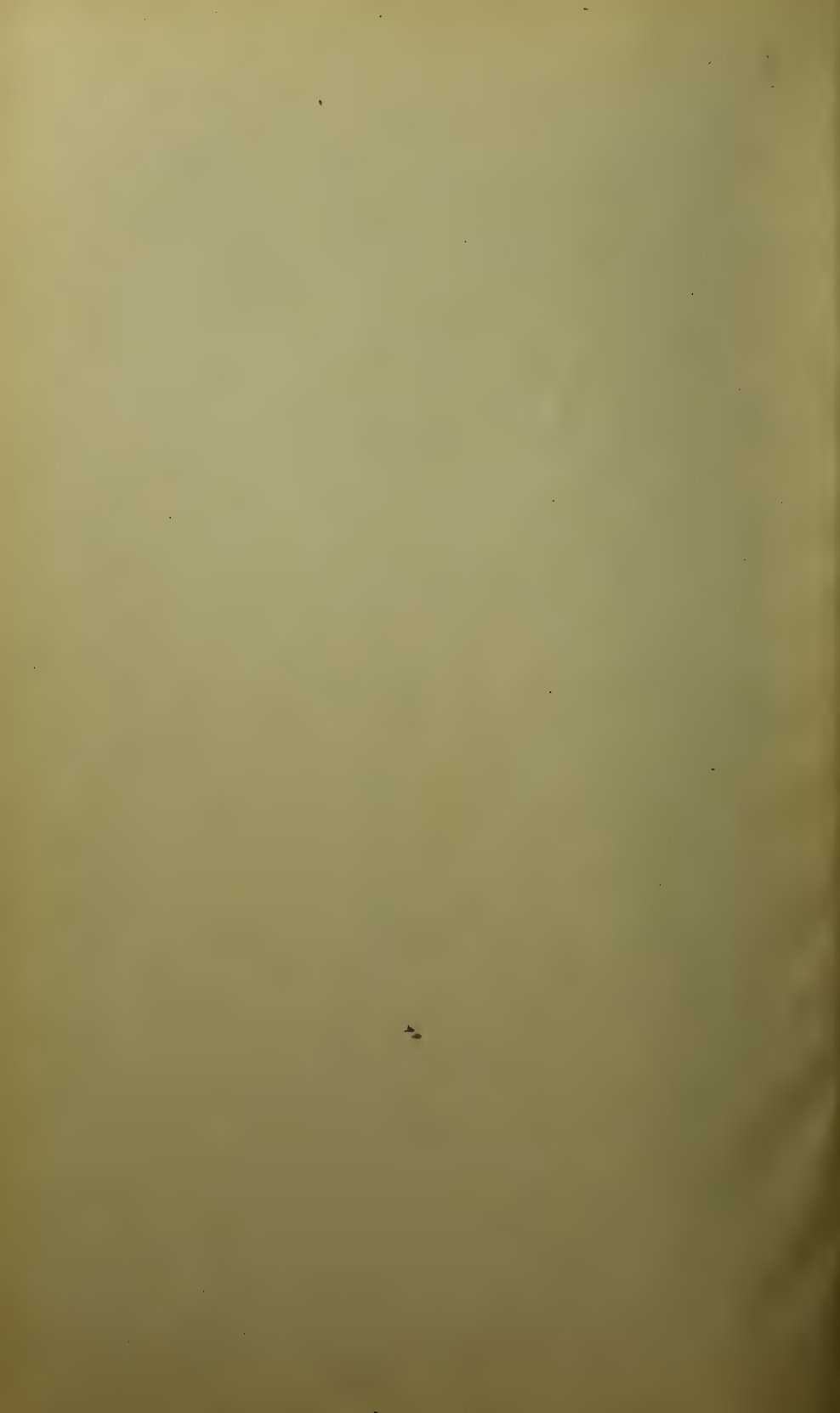






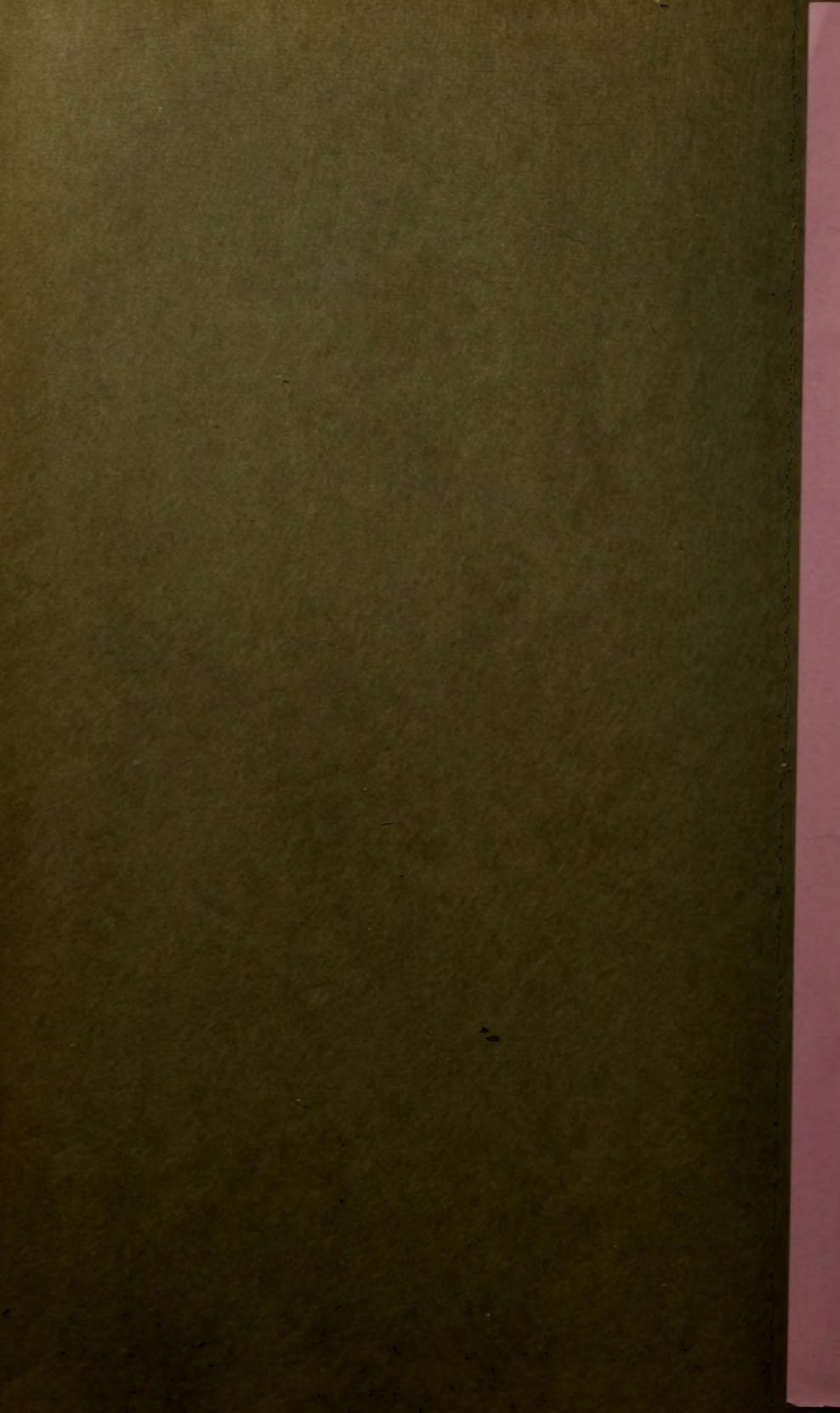
















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